THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Difference Between the Japanese and American Attitudes

By Dr. S. Washio

The Chinese Tariff Fight Is On!

Kwangsi, Once Backward, Now Become Progressive

By Hin Wong

The New Prestige of the Nationalists

By Harvey R. Harris

Shantung, Pawn of Politics

By H. D. Ware

Chinese Pilots Also Want Tls.1,800 Jobs

評論報

SATURDAY, OCTOBER 6, 1928

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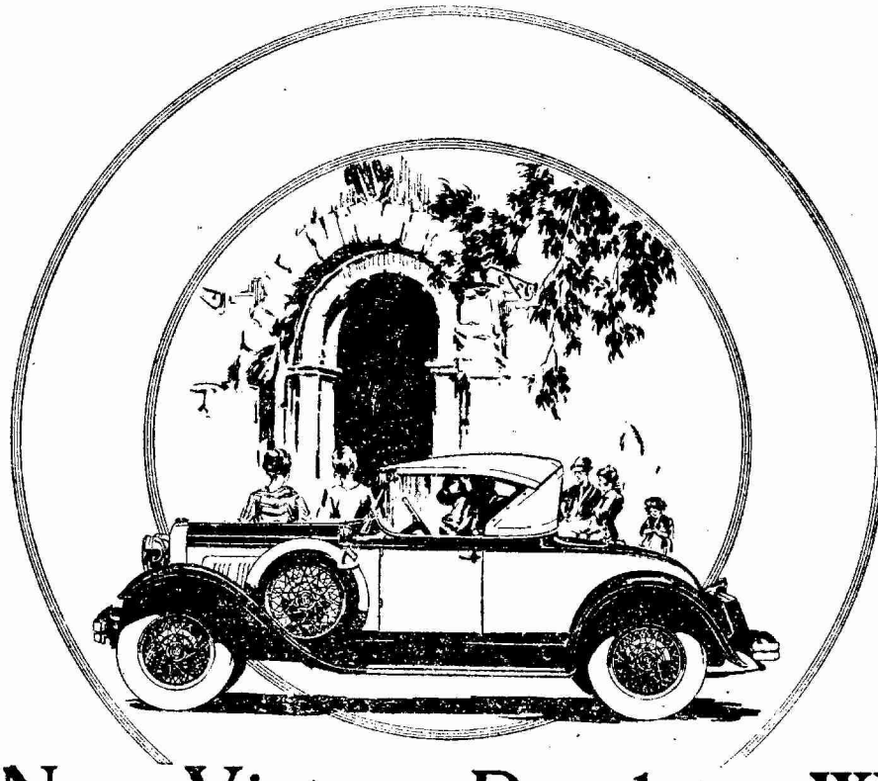
46-210



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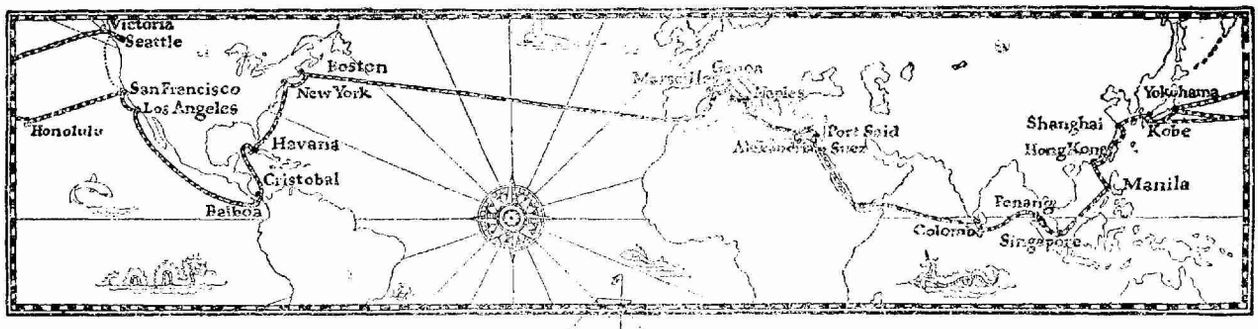
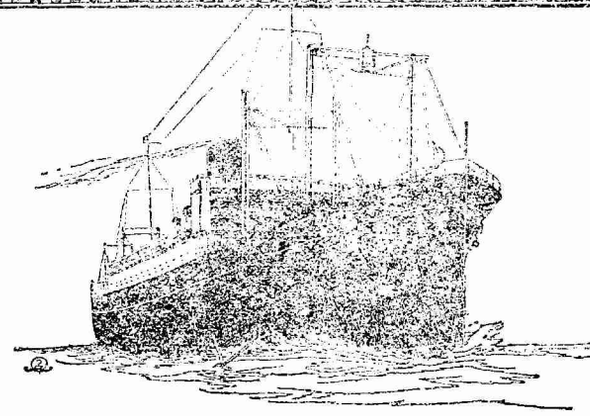
The VICTORY SIX

DODGE BROTHERS

46-211





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WEEKLY SAILINGS TO AMERICA
ONE WEEK TO SAN FRANCISCO AND LOS ANGELES VIA HONOLULU
FOLLOWING WEEK TO VICTORIA B.C. AND SEATTLE VIA THE SHORT ROUTE
FORTNIGHTLY ROUND THE WORLD VIA HONGKONG, MANILA, STRAITS, COLOMBO, EGYPT, ITALY, FRANCE, TRANSATLANTIC TO BOSTON AND NEW YORK

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American Mail Line

The Robert Dollar Co., General Agents.
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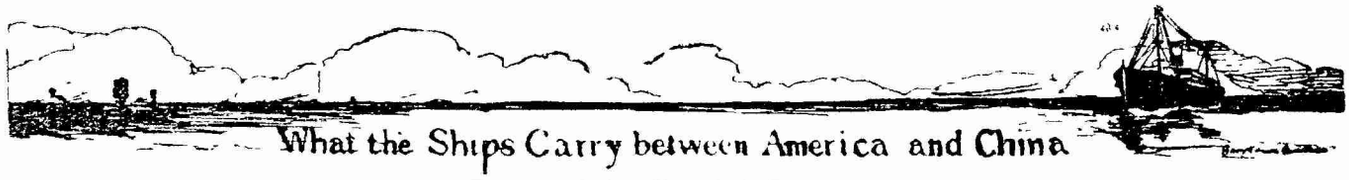
46-212



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls; Oct. Customs Rate Tls. 1.39 equal Gold $1

GOLDEN TIDE, August 27.
From U. S. A.

Oil, Kerosene, in Case	Galls.	371,930
Oil, Lubricating, Mineral	Galls.	2,408
Gasolene, in Case	Galls.	20,000

CHR. KNUDSEN, August 29.
From U. S. A.

Timber, Softwood:		
Merchantable	Sup ft.	54,317

PENNSYLVANIA, Sept 3.
To U. S. A.

Silk Piece Goods	Pls.	1
Tea, Black, other kinds, Hankow	,,	50
Beans, Green, Small	,,	170
Cotton, Refuse	,,	199
,, towels	,,	2
,, Rags, Old	,,	371
Egg Albumen, Dried	,,	37
Cotton Handkerchiefs	Doz.	250

CITY OF FLORENCE, Sept. 3.
From U. S. A.

Lead-foil and Tinfoil Mixture	Pls.	569
Steel Bar Ends	,,	765
,, Wire, Defective	,,	900
,, Sheets	,,	2,353
,, Tool	,,	423
Steel, Galvanized: Sheets, Plain	,,	1,032
Tinned Plates, Plain	,,	1,076
Tinned Plates, Old	,,	674
Grease	,,	49
Paper, Coated	,,	694
,, Unclassed	,,	3,054
Starch Corn	,,	452
Wax, Paraffin	,,	37
Oil, Lubricating, Mineral	Galls.	29,286

EMPRESS OF ASIA, Sept. 3.
From U. S. A.

Cotton Flannel, Grey	Pcs.	3,000

PRESIDENT WILSON, Sept. 4.
To U. S. A.

Tea, Black: Other kinds, Hangchow	Pls.	27
,, ,, Kiukiang	,,	244
Silk Cocoons, Pierced	Bls.	18
Brassware	,,	3
Bristles Assorted	,,	50
Chinaware, Fine	,,	19
Oil, Wood	,,	30
Tungsten Ore	,,	420
Carpets	Hk. Tls.	815

PORTHOS, September 7.
To New York.

Silk, Raw, Filature: Wild other Ports	Bls. 25	Pls. 25

KOREA MARU, September 7.
To U. S. A.

Silk Pongees, Shantung	Pls.	3.50
Tea, Green: Gunpowder, Ningpo	,,	7
Tea, Black, other kinds, Hankow	,,	140
Other Kinds, Kiukiang	,,	46
Brassware	,,	29
Egg Yolk, Dried	,,	205
Woodware	,,	5

PRESIDENT TAFT Sept. 8.
To U. S. A.

Tea, Green: Gunpowder, Ningpo	Pls.	250
Tea, Black: other kinds, Kiukiang	,,	28
Silk, Raw, Re-reeled: White other Ports	Bls 94 Pls.	96.38
Silk, Raw, Steam Filature: White, Shanghai	Bls. 105 Pls.	104.83
,, Other Ports	Bls.20 Pls.	20.11
Silk, Raw, Filature: Wild, other Ports	Bls.25 ,,	25.26
Silk Waste, Refuse: Shanghai	Bls.11 ,,	33.53
Other Ports	Bls.31 ,,	100.50
Silk, Raw, Reeled from Doupions	Bls. 8 ,,	7.98
Antimony Oxide	,,	420
Antimony, Regulus	Pls.	420
Books, Printed, Chinese	,,	7
Bristles	,,	47
Chinaware, Fine	,,	5
Egg Albumen, Dried	,,	62
Egg Yolk, Dried	,,	93
Feathers, Goose	,,	22
Wool, Sheep's	,,	56
Skins, Dog, Tanned	Pcs.	1,500
,, Goat	,,	2,000
Rugs	Hk. Tls	585

Latest New York Stock Exchange Quotations

Tel. 18891-18990 Sept. 27
Market Closed Irregular. Business done 3,850,600

STOCK	Monday Oct. 1	Tuesday Oct. 2
Allied Chemical & Dye (Common)	202½	200
American Can (Common)	108⅜	110⅛
American Radiator	154¼	152
American Smelting	244	242
American Telephone & Tel. (Common)	179	179½
American Tobacco "B"	165½	165
Armour & Co. "A"	None	19⅜
Armour & Co. (Ill.) 7% Pfd.	Mult.	87½
Anaconda Copper	82⅞	82
Baltimore & Ohio	112¾	112⅞
Bancitaly Corp.	123⅝	125⅛
Bank of Montreal	None	368
Bethlehem Steel (Common)	64⅝	64⅛
Bethlehem Steel, 7% Pfd.	None	118
Brooklyn-Manhattan Transit	71½	70¼
Calumet & Hecla	33	32⅞
Canadian Pacific Railway	217½	216⅝
Canada Dry Ginger Ale	78½	77
Cerro de Pasco	97½	96⅞
Chile Copper	52⅛	51¾
Chrysler	124½	123¼
Consolidated Gas of New York	77⅝	77½
Coty Incorporated	265	265
Du Pont de Nemours E. I. (Common)	396	397
Eastman Kodak	181¼	179½
Electric Investors	69⅜	68¼
Fox Film "A"	101¼	99⅜
General Cigar	62½	62⅜
General Electric Co.	164	161½
General Motors	215½	214
Hudson Motor Car	85	85¼
Industrial Rayon	130	132
Interboro Rapid Transit	47¼	46¾
International Cement (Common)	70⅝	70⅜
International Match, Pfd.	111	111
International Nickel (Common)	125⅜	126¼
International Printers Ink	51¾	51
International Products Corp. (Common)	14⅞	14⅝
International Products Corp., Pfd.	85	None
International Telephone & Teleg.	180⅜	179¾
Kelvinator	12½	12¼
Kennecott Copper	101⅛	100⅝
Liggett & Myers, Class "B"	92	91½
Loews Inc.	60⅜	59⅛
Lorillard Company (Common)	29¼	29
Madison Square Garden	23	23⅝
Mengel Bros.	36¾	35¼
Missouri Pacific By.	72¼	72⅝
New York Air Brake Co.	43	43
New York Central (Common)	174½	174
North German Lloyd 6's 1947	93	92⅝
Pacific Gas & Electric Co.	50¼	50¾
Packard Motor Car Co. (Common)	92	91⅞
Pennsylvania Railroad	64	64
Radio Corporation	210	204¾
Reynolds Tobacco, "B"	141⅞	141
Sears, Roebuck & Co.	149	149
Standard Gas & Electric (Common)	71¾	70¾
Standard Oil of California	61	60½
Standard Oil of Indiana	76½	76⅜
Standard Oil of New Jersey	45⅞	45⅝
Standard Oil of New York	35½	35½
Texas Corporation (Common)	67⅜	67⅜
Texas Gulf Sulphur	71¼	70⅝
Timken Roller Bearing	139⅜	137⅞
Union Carbide	188¾	186
Union Pacific Railroad (Common)	201¾	199½
United States Leather	60¼	59
United States Realty & Imp Co.	83⅛	82⅜
United States Rubber (Common)	38¾	38
United States Rubber, 8% Pfd.	66¾	66½
United States Steel	159½	158½
Wright Aeronautical	165	162

Chinese Editor in Peiping Draws a Comparison

Replying to complaints from the Japanese Minister as to the hindrance placed in the way of the delivery of copies of the *Shuntien Shih Pao*, which is printed in the Chinese language by Japanese owners, the *Ta Kung Pao*, a prominent Chinese newspaper in Peiping, in an editorial recently stated that the postal service was not guilty of any laxness in handling said paper, but as it had spread false reports about the situation in China the populace had become aroused, and probably had stopped their subscriptions. The Chinese editor went on to draw a comparison as to the difficulties that had been placed in the way of Chinese who wished to print a newspaper in Korea, and stated that whereas what the Chinese paper was printing in Korea was true to facts, what the Japanese paper in Peiping was printing were fabricated stories calculated to inflame the Chinese public.

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, well commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow known as the *"Garden City of the Orient"*, Wusih, the pictureque city on Lake Tai-hu, Chinkiang, the *"Gate of the Yangtze River"*, and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with its picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai at Shanghai North Station.

46-214

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M.
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peking-Hankow.

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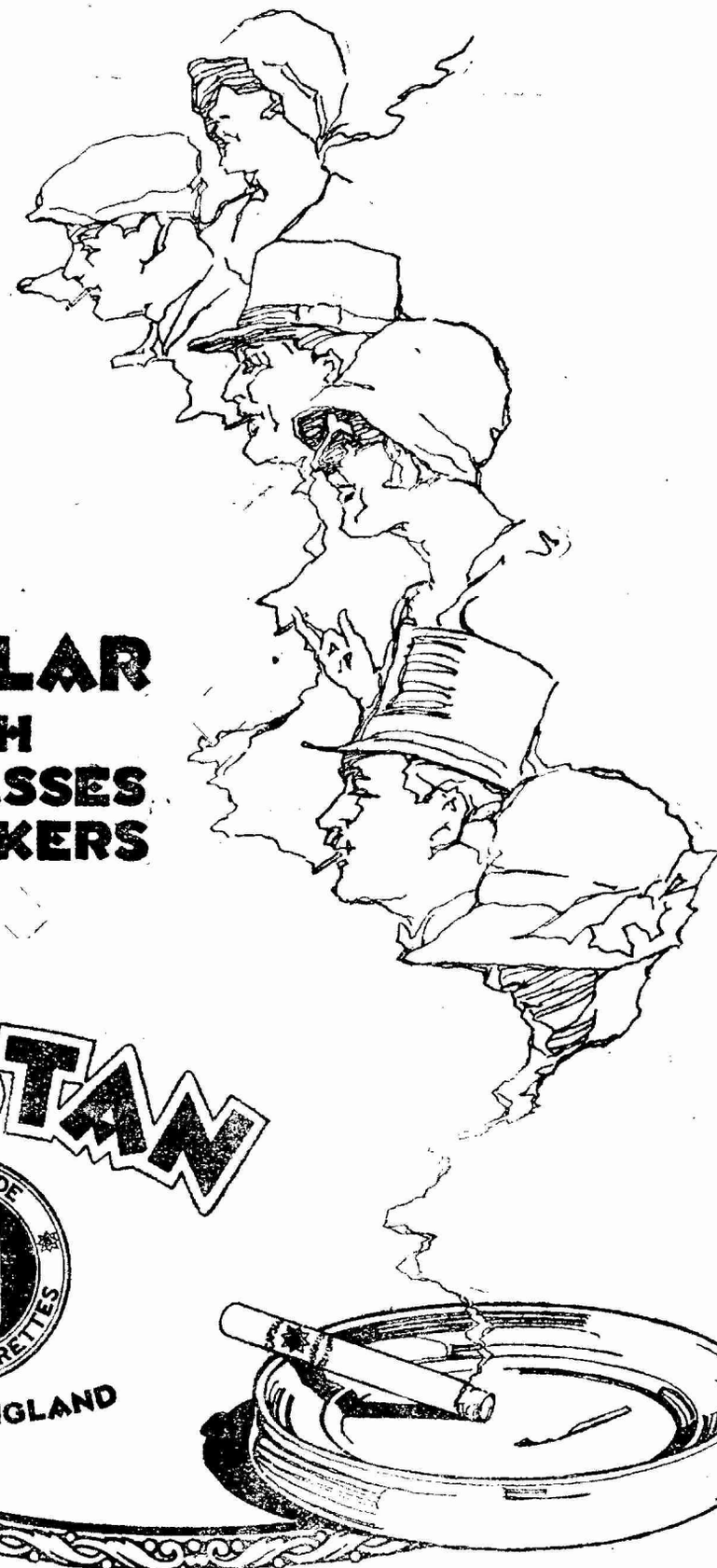
There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai



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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號認立券之報紙

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Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

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NATIONALISTS RECOGNIZED NOW BY U. S. AND CUBA

THE AMERICAN and Cuban Governments have now granted the Nationalist Government full recognition, according to reports from Washington and Havana last week. The report from Washington which was carried by *Reuters* and printed in the Shanghai newspapers on Saturday, September 29, stated that the Councillor of the Department of State had ruled that the conclusion of the Chinese-American Tariff Treaty, constituted full legal recognition of the Nationalist Government of China. The report from Havana telling of the action of the Cuban Government, stated that the Republic of Cuba had accorded Nanking full recognition and was willing to enter into treaty relationship with China on a "complete equal basis." It was also indicated that Cuba plans shortly to send an official envoy to Nanking. Germany has also negotiated a new commercial treaty with the Nanking Government which amounts to full recognition, but thus far there has been no formal pronouncement on the subject of recognition by the German Government. That the action of the American Government in according full recognition to the Nationalist Government has attracted considerable international attention was indicated in a dispatch from Geneva which appeared in the *Shun Pao* on October 1 stating that officials of the League of Nation considered it an interesting sequence of events when the United States granted China full recognition immediately following China's failure to obtain a non-permanent seat on the League Council and furthermore that America had quickly followed this up by rejecting the Anglo-French Naval Pact. It was stated that these various events had caused unusual interest in League circles and considerable uneasiness among the members of the Japanese delegation at Geneva. There is hope that the ruling of the councillor of the State Department that China has now been accorded full legal recognition by the United States will be quickly followed by the reopening of the American Consulate at Nanking. The Nationalist Government has issued invitations to the Diplomatic Corps in Peiping to send representatives to Nanking for the celebration of the Chinese National Holiday on October 10 and there is hope that the American Consulate may be opened by that time. Recently it has been rumored that some sort of misunderstanding has developed between certain Nationalist and American officials regarding the form of ceremony to be adopted at the reopening of the American Consulate at Nanking, but it is hoped that this may be smoothed out before that time. The *Reuter* report from Washington telling of the ruling of the Solicitor of the State Department regarding

the recognition question also stated that the American Government will take advantage of the occasion of the reopening of the Nanking Consulate to deliver a fitting message to the Chinese people. Mr. C. J. Spiker, who has been appointed American Consul at the Nationalist Capital has recently been in Nanking supervising the repairs on the consular building which will shortly be ready for occupancy. Mr. Manuel Quezon, President of the Philippine Senate, on September 30 cabled his congratulations to Dr. C. T. Wang, Nationalist Foreign Minister upon the recognition of the Nationalist Government by the United States and expressed the hope that China's further efforts "be crowned with complete success."

STATUS OF THE JAPANESE TREATY NEGOTIATIONS

DESPITE the announcement of an impending withdrawal of 7,000 Japanese troops from Shantung (which if correct would still leave 5,000 there) and an abundance of publicity in the Japanese press regarding the necessity of reaching an understanding with China, there has actually been no change in the relations of China and Japan. The diplomatic relations of the two countries are deadlocked and still at a critical point although the recent visit to Tokyo of Mr. Yada, the Japanese Consul-General at Shanghai, has accomplished some good in strengthening the hands of those in Japan who are opposing the Tanaka strong-arm policy. What apparently has happened is that General-Baron Tanaka has been forced to readjust his methods somewhat on account of criticism of Japanese policy which has developed in America and Europe and in addition to this, the Japanese Government doesn't want to have a fight on its hands with China at the time of the Coronation ceremonies next month. This probably explains the changed tone which has been noticeable in Tokyo's pronouncements on China questions recently, but it is extremely doubtful that there has been any actual change and still more doubtful whether there can be any change so long as the Tanaka military clique is in control of the Japanese Government. The reason for this situation is that the military clique now in control of the Japanese Government is fighting on its last legs against the development of democracy in Japan as well as in China and realizes quite well that the unification of China and the coming into effect of the Nationalist movement is bound to react upon the situation in Japan where the rising tide of liberalism is making it increasingly difficult for the military clique to continue its control.

THAT THE opponents of the Tanaka clique are gaining strength there can be no question. The Shinto Club issued a statement to the press on October 1, which read as follows,

> "Owing to the strained relationship of Japan and China, the trade between the two countries is at a standstill, with the consequence that merchants of the middle-class and downwards are in a very difficult position. It is most regrettable, for the sake of the nation, that the anti-Japanese agitation in China is growing more serious than ever and that various outstanding issues remain unsolved. It is, therefore, up to the Shinto Club to devise pertinent, effective measures for the improvement of the relations of the two countries, by rising superior to party prejudice." Following Mr. Tokonani's speech, the Shinto Club discussed and passed a statement anent Chinese affairs as follows:—
>
> "That negotiations respecting various problems pending between Japan and China are at a deadlock is a matter to be deeply regretted, for it is to the great disadvantage of the two nations. In view of the general situation of the Orient as well as of the inherent, traditional relationship of the two nations, the Japanese Government should lose no time in devising means for the prompt opening of Sino-Japanese negotiations on the basis of reasoning on both sides, with the object of eradicating the root of controversy and of cementing the friendship of the two nations, thereby securing lasting peace and welfare for the two nations."

The weak point in Tanaka's armor is in the Sino-Japanese trade situation, for as the Shinto Club pointed out, Japan's China trade is practically at a standstill and thousands of Japanese merchants are in a difficult position. During most of the present period of crisis in Japan's relations with China, General-Baron Tanaka has been able to keep the Japanese merchants lined up behind the Government's policy. They had been convinced that Tanaka's policy was correct and that all would come out to Japan's advantage in the end. But the Japanese Government's official forecasts regarding developments in China did not work out according to schedule. The Kuomintang *didn't* split; the Nationalist Government *didn't* fall; Manchuria *did* cooperate with Nanking; Gen. Chang Chung-chang *was* defeated; China *didn't* go red. Then on top of it all America entered into seperate negotiations with the Nationalists; negotiated a new tariff treaty and granted full recognition! Germany also negotiated a new treaty and practically has granted recognition. France and Italy have practically settled their troubles over the Nanking incident and Great Britain is also said to be negotiating a new tariff treaty. General-Baron Tanaka has continued his strong-arm "waiting" policy and has succeeded in completely isolating Japan in her relations with China. This is naturally reacting upon the domestic, political and economic, situation in Japan and ultimately will force a change, but as stated in the foregoing, no fundamental change may be expected so long as Japan is ruled by the present bureaucracy which controls most of the natural resources of the country and recently has undertaken the impossible job of attempting to control even the thinking of the people!

AMERICA REJECTS ANGLO-FRENCH NAVAL PACT!

THE UNITED STATES Government in a Note to the British Foreign Office on September 28, has refused participation or concurrence in the Anglo-French Naval Compromise (referred to in *The Review* on September 29.) According to a *Reuter* dispatch from London which appeared in the local press last Saturday, the American Note stated that while United States favored naval limitation and would be willing to enter into an international agreement which would limit all classes of fighting craft, that it could not, however, agree to the terms of the Anglo-French compromise which only limited classes of cruisers which the United States considered necessary for its own national defense. According to the forecast of the contents of the Anglo-French compact which appeared in last week's issue of *The Review*, it only proposed to limit cruisers of 10,000 tons or under carrying six and eight-inch guns and submarines of a tonnage above 600. This left the door open for the unrestricted construction of smaller cruisers and submarines which both the British and French Governments consider necessary for their defense. Owing to America's lack of naval bases scattered over the world, the United States has contended that large-type cruisers of a tonnage of 10,000 and carrying eight-inch guns with a long sailing radius were necessary for American national defense.

The United States was willing, however, to enter into an agreement limiting the larger type of cruisers, providing the other Powers would agree to a proportionate limitation of fighting craft in which they were particularly interested. The following paragraphs from the *Reuter* report explain the American position.

"The United States would be happy to continue its efforts towards the limitation of naval armaments, but it cannot consent to proposals which leave the door wide open to unlimited building of certain types of ships of a highly efficient combatant value and restrict the only type peculiarly suitable to American needs.

Would Defeat Powers' Purpose

"The terms of the Anglo-French Agreement would tend to defeat the primary object of any Disarmament Conference, and no useful purpose can be served by accepting them as a basis of discussion.

"The United States Government does not object to any Anglo-French Agreement which they think in the interest of armament limitation, but it cannot consent to the application of such an agreement to the United States."

In conclusion the American Note declared that the United States remains willing to use its best efforts to obtain a basis for further naval limitation satisfactory to all naval Powers, including those not represented at the Three Power Conference at Geneva last year, and is willing to consider in any conference the special needs of France, Italy or any other naval Power. Although the Japanese Government is reported to have expressed its support of the Anglo-French Compromise, the general newspaper comment in Europe is to the effect that American opposition will make it extremely difficult for the British and French Governments to continue their tentative plans for a naval compromise. The chief effect of the Anglo-French Compromise seems to have been to revive talk of European secret alliances, the forecasts being in the direction of an Anglo-French-Japanese combination on one side and a German-Italian-Russian combination on the other side. Just where China and the United States would fit into this picture has not been suggested, but there have been reports in the European press that the new European situation might tend to bring about America's recognition of Russia.

CHINESE HAVE PAID INTEREST ON SHANTUNG R.R. LOAN!

DR. C. T. WANG, Minister of Foreign Affairs of the Nationalist Government, in an interview with foreign newspaper correspondents on Saturday, September 29 stated that the Tsinan-Tsingtao Railway, which was returned to China as a result of the settlement of the Shantung case at the Washington Conference, has paid its interest to the Japanese bond-holders regularly since the road's redemption in 1922 with the exception of the past year and a half. Dr. Wang's statement constituted a reply to a statement by Mr. Yoshizawa, Japanese Minister in Peking, to the effect that the road's recent payment of $600,000 in interest was the first which had been made since the Chinese took over control from the Japanese. According to the Nationalist Foreign Minister, the Chinese at first agreed to buy the road outright from the Japanese, but when the Japanese refused to accept the payment, the Chinese agreed to pay off the indebtedness of $40,000,000 on the railroad in fifteen annual payments with interest at six percent. A clause in the agreement provided for the appointment of a Japanese auditor to serve during the period of liquidation of the debt. Dr. C. T. Wang, who handled the negotiations with the Japanese following the Washington Conference, declares that the interest and amortization payments have been met regularly since 1922 up to about a year and a half ago, since which time the bandit-tupan Gen. Chang Chung-chang has commandeered all the funds for payment of his troops. The Japanese statement on this question was circulated in the form of an interview with the *United Press*, the object of the Japanese Minister in Peiping apparently being to indicate to the world that the Japanese troops now in Shantung have been responsible for the efficient operation of the railway.

DESPITE the fact that the Nationalists now control all of China and there is no further menace to Japanese interests in Shantung, the Japanese military still has some 12,000 troops in Shantung province. They are stationed at Tsingtao and Tsinan and along the 250-mile Chinese Government Railway connecting the two cities and in addition to the actual patrolling of the line they have declared a so-called "neutral" zone within which they will not permit the Chinese Government to function. In several of the towns along the railway the Japanese have entirely displaced the Chinese authorities and are flying the Japanese flag from the provincial government yamens. Recently the Japanese have reconstructed all of their sand-bag barricades in the commercial area of Tsinan, the Shantung provincial capital, and have given indications that they are planning to maintain their military forces in the city indefinitely. According to foreigners residing in Tsinan, the Japanese recently have conducted military reviews in the city of Tsinan which have been very provocative to the Chinese population. It is reported that they have finally displaced the Chinese constabulary and have taken over the policing of the city. On October 2 there was a report from Tsinan that the Japanese military had attacked the town of Yuchiachwang and had killed some 60 members if the Chinese Public Safety Bureau. The Japanese alleged they were bandits!

CHINESE PILOTS ALSO WANT TLS. 1,800 JOBS!

THE SHANGHAI Licensed Pilots Association is an iron-riveted, hide-bound organization composed exclusively of foreigners at Shanghai who receive monthly incomes ranging from Taels 1,800 to Tls. 2,000 (equivalent to about G. $ 1,250) apiece for piloting ocean-going steamers into and out of the Shanghai harbor. The number of members of this organization ranges from 35 to 40 with three apprentices. For many years the organization was composed exclusively of Britishers, but shortly following the World War some American pilot with a desire to participate in this well-paid profession managed to exert sufficient pressure through his consul and got himself elected. Then other foregners followed the precedent of the American and also got in so that the membership today, while overwhelmingly British, nevertheless does contain a sprinking of Americans, Japanese, Scandinavians and at least one Hollander. No Chinese pilot has ever been able to get into the organization despite the fact that it functions within Chinese waters and handles the pilotage of shipping which calls at China's chief port. The rules of the organization read as follows,

"The subjects, citizens, or proteges of Treaty Powers shall, equally with the natives of China, and without distinction of nationality, be eligible for appointment as pilots when vacancies occur, by the board of appointment," and so on.

Then there is a condition in the regulations which requires members to become share-holders in

the property of the Association, consisting chiefly of a pilot boat. This share costs some $16,000 but that is not a serious matter because the local foreign banks always advance the money against a lien on the future income of the candidate which, incidentally it should not require long to liquidate because the annual income of a Shanghai licensed pilot ranges above Tls. 20,000 (G.$ 12,600)a year. Despite the fact that Chinese are, according to the rules, eligible for membership, none has ever been elected—the actual reason being that the foreigners do not want to give up their little monopoly which brings in an income ranging from Tls. 1,800 to Tls. 2,000 a month and the work is not arduous.

RECENTLY three Chinese naval officers with qualifications supposedly on a par with any foreigner in the Association applied for membership in the organization. There has been much secrecy about the situation, but according to the official British newspaper in Shanghai, the *North-China Daily News*, the Shanghai Pilot Board consisting of the Consular Body, the Shanghai General Chamber of Commerce, the Harbor Master and the Shanghai Licensed Pilots Association, one Chinese *has been permitted* to become an applicant for an apprenticeship which must be served preliminary to regular membership. The interesting phase of this situation is that this organization which constitutes itself as the Shanghai Pilot Board is an exclusively foreign organization functioning as a sovereign governmental entity on Chinese soil and setting itself up as an authority to pass on the eligibility of a Chinese to become a pilot in the chief port of his own country. This information will sound strange abroad but it is exactly what is taking place in Shanghai, China in this year of 1928. We do not know whether this brave Chinese succeeded in getting in or not, but the Licensed Pilots Association circulated a rumor last week that his chances were rather slim because of the fact that there were some 40 foreign applicants ahead of him. We do not know much about the history of this organization or its legal status. It is known as a sort of happy haven for foreign shipping masters who desire to retire from active service on the China coast. Neither do we know much about the matter of qualifications. An experienced foreign pilot who is not in sympathy with the policy of the Association in barring Chinese, has written *The Review* a letter in which he alleges that there are hundreds of Chinese, born and bred on the river, who know more about the Shanghai harbor than any foreigner in the organization. He alleges that many men have become members of the Pilots Association who have only been in the port a few times on ocean-going steamers. For those who do not know what a licensed pilot does, we will explain that he waits at the mouth of the Yangtsze and when a steamer comes along he boards it and climbs to the bridge. He is provided with detailed maps or charts which have been prepared for this purpose by the Whangpoo Conservancy Board. These maps show the depth of water, the various channels, the rang of tides, location of light-houses, buoys, and so on. With this information before him he tells the captain of the ship how to steer his vessel into Shanghai so as to avoid shoals, sand-banks, rocks, and in addition he keeps his eyes open so as to avoid colliding with other vessels. This is exactly what a licensed pilot does. It requires from four days to a week for one pilot to make the round trip, that is take a steamer out of the harbor to deep water and then wait at the Pilot Station at the mouth of the Yangtsze for another steamer to come in. When he gets back to Shanghai he sits around his club and waits his turn, for the men work in rotation. Since it's a nice white-collar job with good pay, the Chinese naturally would like to participate, especially since this happens to be Shanghai, Province of Kiangsu, Republic of China!

A FORD LOAN FOR CHINA ROAD CONSTRUCTION?

THE JAPANESE newspapers recently have printed reports that Mr. Henry Ford through his representative in China, has been conducting negotiations with the officials of the Nationalist Government in accordance with which the Ford Company would advance a large loan to China for road construction purposes and in exchange for which China would grant Mr. Ford special privileges in the import of his various makes of cars and tractors into China. The reports in the Japanese press have originated with the Japanese newspaper correspondents in China who allege that informal negotiations were made with Mr. Ford by Sun Fo when he was in the United States and that these negotiations have been renewed since Mr. Sun Fo returned to Nanking. Then in addition to this report there was a rumor in circulation several weeks ago that Mr. Ford had offered to prepay his customs duties for two years in advance if the Nationalist Government would use the money for the immediate construction of a motor-road from Shanghai to Nanking. The fact that the Ford Company has recently constructed a factory for the assembly of cars at the Dollar wharf in Pootung, indicates that he is interested in this field, but what is not generally known is the fact that Mr. Ford's interest in China predates the present Nationalist movement by several years. Shortly after the Washington Conference a report was sent out of Detroit to the effect that the Chinese had approached Mr. Ford with a road construction proposition and it was largely on account of the interest aroused in China as a future market for his cars that Mr. Ford agreed to employ several hundred Chinese students in his Detroit plant.

AMERICAN NEGRO JAZZERS "TAKE" COAST PORTS

THE AMERICAN NEGRO has invaded the Orient! Chinese who thought they had all classes of American citizens from cigarette and kerosene salesmen to missionaries and die-hard bankers and business executives all card-indexed and catalogued, have suddenly discovered that there is still another type of the genus Americanus—the black man. One prominent Chinese of our acquaintance, who apparently had heretofore thought that all Americans were white, wanted to know whether these black men who carried American passports were "American coolies." But he was doubtful regarding this assumption because the supposed American "coolies" whom he had observed walking along Nanking road were too well dressed and didn't act like Chinese coolies. As a matter of fact one woman was more than well-dressed: she actually scintillated with a red silk waist, a yellow silk embroidered skirt with blue stockings and gold brocade slippers and a green silk parasol and she had three Chinese servants trailing along behind her carrying parcels. Valada had been shopping it seems! The rest of Valada's name is Snow—Valada Snow—and for months our China coast newspapers have been carrying advertisements which placed Valada's name in large black type at the top with the declaration

underneath, "America's Leading Dancer, Singer and Entertainer." Valada, it should be explained is a member of "Mr. Jack Carter's Troupe of American Jazz Artists," who have helped Shanghai for many months to forget its troubles incidental to the Chinese revolution. No one seems to know how they happened to get this far from Chicago, but suddenly one of the cabarets (it's owned by Chinese) advertised that "Mr. Jack Carter Has Arrived" and had brought with him a "whole troupe" and that the very best syncopated American jazz would be dispensed "from this time on." In small type at the bottom of the ad it was noted that there would be a small cover charge of $2, but that didn't keep the crowd away. The Chinese reaction was interesting, but it was the English who were really flabbergasted. It seems that the English idea of a negro is different from that of the American. "Why he speaks American," was the exclamation of one nice English lady of the writer's acquaintance. It had never occurred to the writer that a negro talked anything except American, but this lady apparently thought that all negroes talked some kind of African jargon.

There are some Americans in these parts who don't like the airs these American negro "jazzers" affect. For example, "Mr." Jack Carter drives a Cadillac about our streets, an outward evidence that he has been able to make American jazz pay dividends on the China Coast. When Jack first arrived he only had Valada with him, but he kept on bringing out additions, including one Bo Diddelly who does a dance act, until he had a whole troupe. Now after many months during which period he has successfully "cleaned up" our Paris of the Orient, he and his troupe are departing for Tokyo, Manila, Hong Kong, Singapore and around the world with the real Paris as the final objective. And exactly one week before "Mr." Jack Carter left, another troupe arrived, the "Wilbur Blackbirds," and now they are appearing nightly in one of the local theaters. Surely it must have been more than a coincidence that Shanghai was to have no vacation from these American negro entertainers. The night before Jack and his troupe departed both troupes got together at one of the local cafes and "threw a big dinner." Every guest, and there were more than thirty of them, was served roast spring chicken (whole) with full accompaniments and there was champagne and a few other kinds of not necessarily "light" wines and beer. All wore full evening dress and Valada had on a creation of silver that must have affected the exchange market when she bought it. The orchestra in this cafe happened to be composed of still another brand of American citizen—Hawaiians—several shades lighter than the negroes who were taking a night off from their stage activities to have a real dance. And in addition to the American Hawaiian orchestra and the American negro dinner party, there were also several Chinese and Japanese guests, as well as persons of other nationalities, in the cafe all dancing; and to make the scene complete the writer noticed still another near-American type, a young Filipino and he was dancing with a Russian girl. There were a few "white" Americans in the cafe but they were hopelessly swamped in this "rising tide of color" and soon repaired to the side-lines to watch the show.

BRITISH COURT CURBS THE INDIAN MONEY LENDERS!

JUDGE KING in the British Supreme Court in Shanghai last week put a decided crimp into the operations of British Indian money lenders. British Indians, who in their own country or in British colonies, such as British Columbia for exmple, earn their living mostly by manual labor, have established for themselves in Shanghai a peculiarly privileged status. Here they are either policemen or armed watchmen, and are usually armed to the teeth. They spend their spare time in lending money at usurious rates of interest. Usury in China does not mean the same thing as in America. To lend money at the rate of twenty per cent interest per year would in China not be considered usury. The rate charged by these Indians is ten per cent per month, or 120 per cent per year. To hide these high rates of interest the Indians insist that the impecunious victim shall sign a promissory note for double the amount loaned. To increase their business these Indians employ Chinese or Portuguese as touts to whom they pay a commission for each victim secured. In the case in question the young Britisher was being sued on a promissory note for four hundred dollars. The Indian swore that he had actually paid out that amount, but the Judge by clever questioning soon broke down the Indian's story, so that in the end the Indian said. "he would leave it to the Court." Thereupon Judge King suddenly brought the case to an end as follows, "I find that the sum actually loaned was $200, and I believe the defendant that the agreement was that he was to pay back at the rate of $25 a month, with interest at ten per cent per month, I also believe him when he says that he actually only received $175, as I know it is the custom for the money lenders to deduct the first installment from the amount lent. I don't believe the Indian's story that he was to be paid back at the rate of $100 a month for four months. I therefore give judgment for $175, not with interest at ten per cent a month, but ten per cent a year, repayment to be made at the rate of $25 a month." All of which means that the Indian will barely get back his capital, that he will have to wait eight months before he gets it all, and that he will lose the sum he paid his tout to secure the business.

Famine Situation and the Nationalist Government

ELSEWHERE in this issue of *The Review* appears a report which Mr. John Earl Baker, general secretary of the China Famine Relief Association of the United States, has made to Mr. Hsueh Tu-pi, Minister of the Interior of the Nationalist Government. This report constitutes the first complete and authoritative statement on the subject of present famine conditions in North China which has appeared to the present. It should go a long way toward the clearing up of misunderstandings which have existed in respect to this subject,—misunderstandings both in China and abroad.

It is an unfortunate situation that every time some one proposes a constructive move in the direction of improving conditions in China, a whole host of knockers suddenly rise up to throw cold water on the scheme. This situation is due to petty politics within the small foreign communities on the China coast and to international rivalries which always become vocal when any one nationality tries to do something. The foreign newspapers in Shanghai have been printing reports from their correspondents in the Shantung, Chihli and Honan famine districts for more than a year, but despite these reports it is

still possible to find supposedly intelligent persons—many of them missionaries we are sorry to say—who will declare that no famine exists in China. They will also say that there is no use trying to build roads in the famine district as a means of providing labor for famine sufferers because the militarists will destroy the roads. Persons who make such statements doubtless are inspired by a variety of motives but to consider the road question alone, they ought to realize that a militarist would probably be the last man to destroy a road, chiefly because roads are essential to his business of being a military leader. He may use the road occasionally and at times monopolize it, but he would never destroy it and when he gets through moving his troops, the road is still there for the remainder of the twelve months for the Chinese farmers and villagers to use. In Mr. Baker's report he states that he traveled over several of the roads constructed in Shantung and elsewhere by the American Red Cross in 1919 and 1920 and found them still in good condition or capable of being put in good condition with a minimum of labor and materials.

As for the Chinese, they have a legitimate criticism of purely foreign famine relief effort in China because it reflects upon their ability to look after their own household. The fact that the Chinese leaders are becoming increasingly sensitive on this question is an encouraging sign for it indicates the growth of national consciousness on this subject and this ultimately will lead to constructive effort on the part of the Government to meet this problem which is one of the most serious facing the country. The work of famine relief ought to be linked up with the whole problem of reconstruction and there should be worked out some method whereby foreign famine relief could be coordinated with purely Chinese famine relief and reconstruction. There are sound grounds for differences of opinion on the question of methods of relieving famine, one school of thought looking upon famine relief as the actual giving of alms, while the other school looks further and tries to remedy the causes of famine. The China Famine Relief Association of the United States, with which Mr. Baker is connected, would embark upon a broad program of road construction, dike construction, the drilling of wells, reclamation projects and so on as a means of providing profitable labor for persons actually in want and for the broader purpose of improving conditions in the famine districts so that they would not be affected by famines from the same causes in the future. It is possible that the program which the American Famine Relief has mapped out, infringes upon work which the Chinese Government should undertake on its own accord as a plain business or engineering proposition. But there ought to be a point somewhere where these interests could get together in order that China might take advantage of the engineering skill and technical experience which has been developed in the United States through the meeting of conditions in America which are not greatly different from conditions in China. For example the United States Government is now putting into effect a plan of flood control along the Mississippi River which was recommended by Mr. Herbert Hoover. There ought to be something of value in this for China in her efforts to control the Yellow River!

Mr. Baker's report makes interesting reading for both Chinese and foreigners. For example the Chinese authorities ought to be interested in his statement that land-taxes in certain parts of Shantung are higher than in some of the richest dairy sections of the United States. The officials of the Nationalist Government also should be interested in another article which appears in this issue of *The Review* telling of the deplorable political conditions existing in Shantung which are partly the result of the Japanese intervention, but probably more largely the result of misgovernment on the part of Chinese officials both of the past and immediate present. Millions of people have been forced to evacuate the province on account of this combined situation of mis-government and famine. Something ought to be done about it and a combination of Chinese and foreign effort should be productive of constructive results.

The American Famine Relief has plans for raising the sum of G. $10,000,000 to be used in China in the immediate future. Part of this money would be used for the actual providing of food and grain to those in destitute circumstances and part would be used as a sort of revolving fund for constructive works such as road and dike construction, well drilling and reclamation projects. In telling of the American effort it is not meant to imply that China is doing nothing. China has done much already toward the relief of famine in Shantung province, the money having been raised by the government and public organizations and by Chinese abroad. The point we wish to make is that there should be a pooling of effort on the part of the Chinese and foreign agencies under some broad plan of governmental supervision. If this could be done it would lend confidence both in China and abroad and put an end to controversies which have arisen regarding this plan or that.

Still another reason for a comprehensive governmental plan for famine relief exists in the fact that numerous famine relief bodies are functioning in the country, often at cross purposes with overlapping of work. Several years ago, largely due to political reasons one famine relief organization catering to the needs of the Lower Yangtsze Valley split off from the parent organization in Peiping and since that time has been functioning independently. This group, known as the Chinese-Foreign Relief Committee of Shanghai has resources totalling in the neighborhood of $400,000, the interest on which, according to the report has been used for famine relief projects in various parts of the country, in the compilation of maps of areas requiring reclamation work and in the establishment of a weather reporting service in the Hwai Valley area of northern Kiansu province.

Then in addition to the organization at Shanghai there is the International Famine Relief Association at Peking which formerly functioned throughout the country but which was disrupted on account of the political situation. Despite internal complication this organization has been able to do much constructive work especially along the line of dike construction on the Yangtsze in Hunan and Hupeh Provinces and in road construction in various parts of the country, even in the South during the progress of the civil war.

What the Nationalist Government should do is to enact legislation which would bring about a consolidation of these various agencies, Chinese and foreign. This would effect a saving of large sums of money through the consolidation of offices and elimination of surplus personnel and with this saving the Government could employ a staff of technical experts and engineering skill which could draft a comprehensive plan embracing the whole country.

The Chinese Tariff Fight is On!

HERETOFORE, the tariff fight in China has always been between the Chinese Government and foreign interests, the Chinese Government desiring freedom of action in the fixing of tariff schedules in order that the Government might obtain more revenues. Foreign interests on their side have chiefly been concerned in keeping the Chinese tariff low, the reason being that a high Chinese tariff would restrict China's imports and also would encourage Chinese industrialists to develop manufacturing interests in China which would compete with foreign goods brought into the country. China made a determined fight at the Washington Conference for an increased tariff and did succeed in extracting a promise of a 2½ percent surtax on general products and a 5 percent luxury tax to be assessed above the standard 5 percent advalorem rates which have prevailed since the Powers first obtained control of China's tariff-making machinery. China's fight for an increased tariff at Washington provided an interesting side-light on human nature, because the foreign interests which worked to block China's demands at Washington, were the same foreign interests which always work for a high tariff in their own countries in order to prevent foreign-made goods from competing with home manufactured articles. There is no conscience in this tariff business at all because everybody is out to protect his own interests and save his own skin and a general realization of this factor would do a great deal toward the promotion of better understanding all around.

THIS STATEMENT is particularly appropriate because of the new situation which recently has developed in China due to the demands of the Chinese merchants for increased tariff protection. Heretofore, as stated in the preceding paragraph, the China tariff fight has always been between the Chinese Government on one side which desired higher tariff rates in order to provide more money for the government, and foreign interests on the other side which desired to keep the rates down. Now the Chinese merchants, bankers and industrialists have entered the picture and are attacking the Nationalist Government because the new scheduled tariff rates are not considered high enough. The new Chinese tariff law and schedules have not been made public, but there is no secret about China's intentions to increase her tariff rates in the direction of complete autonomy on or about January 1, 1929. Last week the Chinese commercial and financial interests in Shanghai sent a strong delegation to Nanking which demanded the following increased rates on foreign imports.

Article 1.—Cement. Rate proposed by the Chinese Tariff Commission: 10 per cent. which should be raised to 85 per cent., for the reason that Japanese cement is sold in China at much lower prices than obtaining in Japan and unless imports of foreign cement are heavily taxed, the China market will be dominated by Japanese cement and home industry would be suppressed by the foreign product.

Article 2.—Cigarettes. Rate proposed by the Chinese Tariff Commission: 40 per cent., which should be raised to 100 per cent., for the reason that cigarettes are luxuries which are already manufactured in suffcient quantities in China.

Article 3.—Tobacco leaf. Rate proposed by the Chinese Tariff Commission: 40 per cent., which should be reduced to 10 per cent., for the reason that China does not produce sufficient tobacco leaf to meet her own demands and if the raw material is taxed too heavily the Chinese cigarette would not be able to compete with the imported article.

Article 4.—Cigarette making paper. Rate proposed by the Chinese Tariff Commission: 30 per cent., which should be reduced to 10 per cent., for the reason that China does not produce this kind of paper which is also raw material required by the Chinese cigarette factories as in the case of tobacco leaf.

Article 5.—Matches. Rate proposed by the Chinese Tariff Commission: 15 per cent., which should be raised to 90 per cent., for the reason that China produces sufficient matches to meet her own demands but the industry is still in its infancy. Unless foreign matches are taxed heavily, the home industry of this line cannot be protected.

Article 6.—Match making materials. Rates proposed by the Chinese Tariff Commission being 15 per cent., which should be reduced to 5 per cent., for the reason that they are mostly required by Chinese match factories. Many match factory owners wish to have no tax levied on imports of match making materials at all but the trade representatives commission for the study of the new tariff schedule have agreed that the rate of 5 per cent. should be maintained.

Article 7.—Silk piece goods. Rate proposed by the Chinese Tariff Commission being 45 per cent., which should be raised to 100 per cent., for the reason that China is the oldest silk-producing nation of the world and Chinese silk piece goods are consumed by people of all nationalities but the low import tariff rate in practice here has created a peculiar situation that foreign piece goods sell widely in China and Chinese products of this kind do not find much market at home. Silk piece goods are also luxuries which should be taxed heavily anyhow.

Article 8.—Enamelled products. Rate proposed by the Chinese Tariff Commission being 15 per cent., which should be raised to 50 per cent., for the reason that this kind of product has increasing demands in China but Chinese manufactorers can keep pace with the development and have been able to compete with imported articles of this kind admirably, except with those from Japan for low prices. Hence, import tariff on enamelled articles should be heavy but the iron sheets required by Chinese factories should not bear heavy tax lest the cost of home products would be high.

Article 9.—Bamboo Steel. Rate proposed by the Chinese Tariff Commission being 10 per cent., which should be raised to 30 per cent., for the reason that China already produces this material and the home product is quite suitable for industrial purposes. Japan buys iron ore from China and manufactures bamboo steel with it to be sold back to the China market making very large profit of it. It is therefore necessary to tax imports of this line heavier than the rate proposed by the Tariff Commission so as to protect and encourage home production.

Art. 10—Iron nail rod. Rate proposed by the Chinese Tariff Commission being 15 per cent., which should be reduced to 10 per cent., for the reason that it is the raw material for the manufacture of nails in China. The nails manufactured out of the imported iron rod are very satisfactory and the tax on this material should therefore be light.

Article 11.—Iron nails. Rate proposed by the Chinese Tariff Commission being 10 per cent., which should be raised to 30 per cent. for there is already ample production of them in China and if a little higher tariff is charged on imports of foreign stuff the home production would easily be pushed up to sufficient quantities.

Umbrella Competition

Article 12.—Umbrellas. Rate proposed by the Chinese Tariff Commission being 5 per cent., which should be raised to 50 per cent., for native production of this kind has already been able to defeat western products but Japanese umbrellas are strong competitors, Lately the Chinese umbrella factories have been able to obtain practically all the material they require locally and it is therefore desirable to tax imports of this heavier.

Article 13.—Soda. Rate proposed by the Chinese Tariff Commission being 5 per cent., which should be raised to 20 per cent., for the China soda market has long been dominated by the imported British product but China is beginning to produce it locally and if slightly higher import tariff is levied on it, the home industry will be helped considerably.

Article 14.—Biscuits, Rate proposed by the Chinese Tariff Commission being 20 per cent., which should be raised to 50 per cent., for Chinese factories can produce more biscuits than required by the consuming market. It

is therefore necessary to protect home production with heavy import tax.

Article 15.—Artificial Silk, etc. Rates proposed by the Chinese Tariff Commission being 20 per cent. on Artificial Silk, 20 per cent., on elastic bands, 60 per cent., on sleeve trimmings, embroideries, 25 per cent., on embroideried handkerchiefs and knitted articles 40 per cent. There is no production of artificial silk in China but since the more importation of artficial silk the more home consumption of real silk has been experienced in China, it is recommended that the import tariff on artificial silk be reduced to 5 per cent., but on embroidered articles all raised to 60 per cent.

Article 16.—Wines and liquors. Rate proposed by the Chinese Tariff Commission being 30 per cent., on those imported for industrial use and 65 per cent., on those not for industrial purpose. Since there is sufficient production of native wine in China, it is undesirable for foreign liquor especially since the imported alcohol has been used by unscrupulous fellows to adulterate the drinking wine which is poisonous to the body. It is therefore necessary to heavily tax imported liquor and make it a requirement that imported alcohol be marked poisonous so that it will not be drinking matter. Wines and liquor are unwelcome and should be at 100 per cent., but liquor required for industrial purposes should be lightly taxed, recommended at 5 per cent. instead of 30 per cent.

Article 17.—Toilet article making materials. Rate proposed by the Chinese Tariff Commission being 40 per cent., on any article regardless if there is any native production but since toilet articles cannot be avoided in any country it is advisable to tax them according to their requirements in this country. It is therefore recommended 15 per cent., be charged on those which are already obtainable in China and 7.5 per cent., on those which China does not have herself.

Article 18.—Western drugs and medicines. Rate proposed by the Chinese Tariff Commission being 30 per cent., which should be raised to 50 per cent for the reason that many of them are already manufactured by Chinese factories locally and are found very satisfactory.

Article 19.—Western drug and medicine making materials. Rates proposed by the Chinese Tariff Commission being 30 per cent., which should be reduced to 7.5 per cent., for the reason that these materials are mostly minerals and chemicals which China cannot do without the imported product and imports should therefore be encouraged.

Article 20.—Bandages and materials. Rate proposed by the Chinese Tariff Commission being 30 per cent., which should be reduced to 20 per cent., for the reason that although there has been native production of this kind, it is far from perfect, for the manufacture has not been done well enough to ensure sanitation and the finished product does not suit medical usage. It is therefore desirable to tax imports of this kind only lightly.

Regarding cotton piece goods, the delegation urged that the rates proposed should be increased to 20 per cent., on greys, 25 per cent., on whites, 50 per cent., on cotton and rayon mixtures, 15 per cent., on grey sheetings of 4 to 16 counts, 12½ per cent. on grey yarn of 20 to 40 counts, 7½ per cent., on grey threads of 22 to 120 counts and 15 per cent. on coloured cotton threads. These recommendations emanated from Chinese cotton yarn and weaving experts and mill-owners.

Heavy Tax On Woollens

Regarding imported woollens, the delegation urged that as the native industry in this line is in its infancy it should be protected by a heavy tariff on foreign imports. Instead of the rate of 20 per cent., proposed by the Tariff Commission, the rate should be 50 to 75 per cent.

Further recommendations are as follows:

Paper. Rate proposed by the Chinese Tariff Commission being too complicated but the decisions of the trade representatives are 10 per cent., on strawboards, 20 per cent, on newspaper and 50 per cent., on all other kinds of paper. The reasons are that there are not sufficient strawboard and newsprint papers produced in China whereas all other papers can be substituted by native products. Hence, the import tax on the former should be light and the latter should be heavy to protect home industry.

Increase For Coal Rate

Coal and charcoal. Rate proposed by the Chinese Tariff Commission being 7.5 per cent; which should be raised to 10 per cent, for there are large deposits of coal in China but very little mining has been undertaken so far, and China, to-day, depends largely on coal imported from Japan and Siam for industrial fuel. A heavier tax than 5 per cent should be levied on imports so as to encourage home production.

Refined sugar. Rates proposed by the Chinese Tariff Commission being of three grades but should be divided into two grades. Nos. 8 to 14 sugar should be taxed at 10 per cent., ad valorem and Nos. 15 to 25 should be taxed at 20 per cent., ad valorem. The reason being that China has her own sugar but the market has lately been dominated by the Dutch, Cuban, Japanese and British sugar. Heavy tax should be levied on foreign sugar and limitation should be placed on the import of Japanese sugar so as to protect Chinese sugar industry.

Rattan split. The Chinese Tariff Commission originally recommended to call this a free commodity on which no tax is to be collected on imports but the trade representatives feel a 10 per cent., tax should be levied because it involves a certain amount of labor. Hence, rattan itself should be exempted from import duty but rattan split should be taxed.

Rattan Core. This article was also recommended by the Chinese Tariff Commission for exemption of import duty but tax of 10 per cent., should be collected for the same reason as given under the previous article.

Rattanware. The tariff rate proposed by the Chinese Tariff Commission should be changed to 20 per cent., for there are a large number of Chinese citizens engaged in this industry which requires only manual labor and is quite suitable to the present economic system of the country. Whole rattan should be exempted from tax but finished rattanware should be taxed.

Hosiery Should Be More

Hosiery. Rate proposed by the Chinese Tariff Commission being 40 per cent., but should be raised to 50 to 75 per cent., for ordinary socks and stockings do not come from abroad on account of large scale native production but what do come into China from abroad are luxurious hosiery on which heavy tax should be levied to protect Chinese industry.

Woollen yarn, single strings. Rate proposed by the Chinese Tariff Commission being 12.5 per cent, but should be reduced to 10 per cent., because this kind of half manufactured articles is raw material required by Chinese knitting factories for the manufacture of socks and underwear. If it is taxed too heavily the finished produce would be too expensive to compete with foreign knitted articles.

Woollen yarn, double cords. Rate proposed by the Chinese Tariff Commission being 15 per cent. which should be reduced to 12.5 per cent., for the same reason as given under the previous article.

Cotton underwear. Rate proposed by the Tariff Commission being 20 per cent., which should be raised to 50 per cent., to protect native industries.

Machinery. The rate proposed by the Chinese Tariff Commission should be changed to 5 per cent., on machinery and 15 per cent., on machine parts for Chinese industry is beginning to develop, and it depends on machinery imported from abroad but machine parts can be produced locally. Hence, whole machinery should be taxed only lightly but machine parts should be heavily taxed.

Chinese Medicine. Chinese medical science is quite different from that of the west and the medicines used vary in nature accordingly. Lately there has been a good deal of Chuanpeh, Chuannien and Chuanton of Japanese origin imported into China ports which are quite contrary to Chinese products of the kind by nature. It is necessary to tax imports of this kind severely so as to prevent foreign stuff from coming into China.

Japanese ginseng. The rate proposed by the Tariff Commissions should be changed to 100 per cent for ginseng is an important article in Chinese medicine but it is fundamentally a luxury, and therefore should be taxed heavily.

AN INTERESTING situation has thus been created which has placed the Nationalist Government between two fires, foreign interests which want to keep the tariff rates down and Chinese commercial and financial interests which want the rates pushed up. The Chinese merchants have also made a demand that whatever the Chinese Government does, that the action be only provisional for one year in order to give time for further consideration. Furthermore the Chinese commercial and financial interests have demanded that all customs

British and American Cartoons on China Situation

BRITISH FEEL PINCH OF LOSS OF TRADE

A BRITISH ADMISSION

"This time the 'Bull' is not in the China shop."

—*The Bystander* (London).

The above cartoon from "*The Bystander*" shows that the people in England realize, even though the British residents in China do not, that it does not pay from a business standpoint to treat the Chinese people with contempt, and that the business goes to the nations who are friendly to the nationalist aspirations of the Chinese people, for treatment on a basis of quality.

Let's Give This Little Fellow a Hand!

—*Cleveland (Ohio) Press*

Copyright, 1928, by the George Matthew Adams Service

JAPAN: "I'm not arguing; I'm telling you!".

—Morris for the George Matthew Adams Service.

Copyright, 1928, by the Philadelphia *Inquirer*

COURTING UNDER DIFFICULTIES

—Hanny in the Philadelphia *Inquirer*.

funds should be deposited in Chinese governmental and private banks instead of in foreign banks as has been the practice in the past. Heretofore most of the Chinese customs funds have been deposited in the British Hongkong and Shanghai Bank, which is a sore point not only with the Chinese banks but also with certain other foreign banks here which consider the yare being discriminated against.

The Chinese Tariff Commission, which has been working on the new rates, is reported to have drafted a tariff law which is expected to meet the Government's requirements from the standpoint of revenues and at the same time will not seriously affect the import of foreign materials. In other words the Commission doesn't want to kill the goose which provides the golden eggs in the form of tariff revenues. The Chinese manufacturers, however, see otherwise: they want to build up a tariff wall which would block imports and thus provide a monopoly for the production of Chinese goods. Within recent years the Chinese have embarked upon numerous manufacturing enterprises, one man familiar with the subject recently being authority for the statement that more than 1,000 new factories have been started in Shanghai alone within the past two years. Naturally these men want protection, just as manufacturers in Japan, America, France, England, India,—everywhere else desire protection against foreign competition. Chinese bankers who have money invested in these various enterprises are supporting the manufacturers, but their support is reported as being not altogether whole-hearted because the Chinese bankers are also large buyers of Chinese Government bonds which are secured on the customs surplus and unless more money can be obtained from the customs, it is likely to adversely affect the security of the bonds. The forthcoming fight over the Chinese tariff is therefore likely to be a merry one because this is the first time that the Chinese merchants have been in a position to make their influence felt upon the Government. It's one of the results of the revolution and an altogether beneficial result so long as the Chinese manufacturers do not go too far and handicap the government in its earch for revenues.

SO LONG as extraterritoriality prevails in China it is practically impossible for the Chinese Government to tax its own manufacturers because Chinese capital flows into the foreign settlements and under foreign flags where it is beyond the reach of government tax collectors. This forces the central government to depend largely upon the Customs for its revenues because foreign goods coming into the country *can* be reached and taxed. The Government therefore does not wish to raise the customs rates to an exorbitant figure because that would raise the price of commodities beyond the reach of the Chinese purchaser whose buying power is extremely limited. The Government is therefore searching for the happy point in the schedule where the most revenue can be raised and at the same time permit foreign goods to come in sufficient quantities to meet the needs of the country, but also providing Chinese "infant" industries considerably more protection than they are receiving at the present. This should be satisfactory for the "infant" industries of China, at the present stage of development, but as stated in the foregoing, the Chinese manufacturers see otherwise and are acting in a very human and practical manner. They want raw materials which they need in their manufacturing processes to come in free or practically free while they want high or near-prohibitive rates on manufactured goods which they produce in competition with foreign goods in order to provide a monopoly for the home article. One of the Chinese manufacturers who went to Nanking last week was quoted by *Reuters* correspondent as declaring, "What's the use of having a revolution if we can't fix our own tariff rates?"

Prof. John Nind Smith Arrives To Promote Industries

Prof. John Nind Smith, formerly a member of the faculty of Hongkong University, but who has been in England for the past two years promoting a plan for the development of Anglo-Chinese trade and industries, arrived in Shanghai last week and is now engaged in interviewing Chinese financial and commercial leaders on the subject. According to a report appearing in last week's issue of *The Review*, Prof. Smith has made tentative arrangements for a number of large British industrial concerns to participate in the reconstruction of China. The *North-China Daily News*, the official British newspapers in Shanghai on October 2 published an article on its first news page which alleged that the reports regarding Prof. Smith's enterprises, were considerably exaggerated.

The report in the official British newspaper in Shanghai contained a letter from the Federation of British Industries of London stating that while conversations had been held by Prof. John Nind Smith with the Chinese Mission which visited England, the whole matter was in a very preliminary stage and "nothing definite has emerged...." There was also a letter from Cammell, Laird and Company, Ltd., one of the firms mentioned as participating in the enterprise, which denied any knowledge about the matter at all.

Edwardes Appointed "Acting" I. G. and Maze Deputy Inspector-General

According to reports appearing in the Chinese newspapers on Wednesday, October 3, the Nationalist Government Council on Tuesday, October 2, held a meeting to discuss the question of the appointment of the Inspector-General of Customs and the Deputy Inspector-General. The report states that many of the members of the Government Council expressed strong opposition to the appointment of A. H. F. Edwardes as Inspector-General, but that it was finally decided that he should be instructed to continue in his present position as "Officiating" Inspector-General on a temporary basis and that F. W. Maze, the Commissioner of Customs at Shanghai be appointed Deputy Inspector-General. Mr. Edwardes has been serving as Officiating Inspector-General of Customs since the dismissal of Sir Francis Aglen from the position of Inspector-General by Marshal Chang Tso-ling more than a year ago.

To Develop Long Distance Telephones in Hupeh Province

H. O. Kung, a graduate of Purdue University, and who was for a considerable period employed by the Crosley Radio Corporation of Cincinnati and the Westinghouse Electric Company, has just been appointed electrical engineering director of the Hupeh Provincial Reconstruction Department. Mr. Kung recently arrived in Shanghai for the purpose of conferring with local manufacturers of telephone apparatus and is reported to have invited tenders for materials for long-distance telephone lines in Hupeh Province, the total mileage being stated as 4,800 and the estimated cost as $492,940.

German Councillor of Legation Arrives in Nanking

Dr. Wagner, Councillor of the German Legation in Peiping, has arrived in Nanking for the purpose of establishing an office. He presented his credentials and a letter to Dr. C. T. Wang, Nationalist Foreign Minister on October 4, being the first foreign diplomatic official to establish an office in the Nationalist capital.

Dr. Wagner is now staying at the guest house recently established by the Minister of Foreign Affairs in Nanking, but will open an office as soon as quarters are available. The arrangement for sending a diplomatic official of the German Government to the new Nationalist Capital was made by Dr. Van Borch, the German Minister recently.

The Turkish *charge d'affaires*, Fuad Bey, has been appointed *charge d'affaires* to China and will shortly arrive in Nanking to establish his office.

Old Empires in Asia's Frontier Strife

BY NICHOLAS ROOSEVELT,

(New York Times Magazine, August 19, 1928.)

TEXAS in Asia—great plains of virgin soil stretching endlessly toward the Mongolian Desert, broiling in Summer, frigid in Winter; thickly settled in the south, but in the north dotted with isolated farms of adobe houses, walled and fortified against bandits; in the interior, herdsmen whose ancestors fought Ghengis Khan, and whose princes placed the Manchu dynasty on the throne of the Celestial Empire, still following their stock after the manner of ten centuries ago; everywhere Chinese coolie immigrants clad in wads of blue cotton in Winter and in little or nothing in Summer—incredibly frugal, patient and industrious—pushing north and east and west, a veritable river of human beings gradually spreading out and overflowing a country as large as France and Germany. This is Manchuria, the danger spot of the Far East, where China, Russia and Japan are again coming to grips in the name of economic necessity.

Texas in Asia—but a Texas of frontier days, when railroads were first opening up the great plains and farmers began to push back the cowboys. Manchuria today is being threaded by railroads. The economic results are those which followed the penetration of the old West by the transcontinental lines. New lands are being settled, and new products shipped out to new seaports. Pioneers are building a new empire, with consequences as yet but dimly understood.

In one respect, however, this new frontier differs from that of America. It is the battleground of international rivalries. Nominally Chinese territory, Manchuria has long been coveted by foreigners. Russia was first to push a railroad across Manchuria and to develop a southern seaport near the site of the present Dairen. As a result of the Russo-Japanese War, Japan took over Russia's southern concessions, and began an aggressive program of railroad building under close political supervision. China, in recent years, has also sought to build railroads in Manchuria. In several instances the Japanese-owned South Manchurian Railway has undertaken the construction of these roads for the Chinese. Behind the railway programs, however, have been political intrigues. Each nation has been trying to get advantages at the expense of the others. The railroads have served as the natural channels of foreign influence. Today, in fact, they are the tools of foreign imperialism,

It is not surprising, therefore, to find the railroads in Manchuria characteristic of the various nations. So, for example, the traveler entering Manchuria from China by railway discovers that the Chinese-owned Peking-Mukden Railroad is antiquated, dilapidated and neglected. The cheerful but unmechanically minded Chinese, accustomed to dirt, squalor and discomfort, crowd into the trains like New York's subway-goers. Lacking the American's mania for speed, they are content if the trains move fitfully and slowly.

Japanese Efficiency

If the traveler comes in through Japanese territory he is ushered by neat porters into an American-built Pullman train with an observation car, drawn by an American locomotive. As in the United States, the service is on scheduled time, and everything is in perfect order and spotlessly clean. In fact, except for the presence of Japanese conductors and for the Japanese guards at the stations, the South Manchurian might be any of our transcontinental lines. Efficiency is everywhere in evidence. All is method and order, and roadbed and equipment throughout are in first-class condition.

Chinese and Japanese trains meet at Mukden, the ancient seat of the Manchu emperors, which is today the centre of Japanese activity. Like so many other cities in China which have been "modernized," Mukden has two sections, the "foreign" and the "Chinese" city. The former lies between the railroad station of the South Manchurian Railroad and the heart of the old walled town. At the station itself is the chief hotel for foreigners, as drab and grubby as the worst American or European "railroad hotel" of the late Victorian days. In the yards right by it trains are forever shunting and passing—freight trains loaded with soya bean cakes from the northern prairies; others with "kaoliang" or millet; cars bound north with cans of oil; local passenger trains crowded with Chinese in long blue cotton robes; "through" express trains to the Korean coast; fast passenger trains connecting with the transsiberian express; and everywhere bells, whistles, klanks, bangs and all the racket so characteristic of the modern machine age.

A mile away, in the Chinese city, there is noise of a different kind—the incessant babbling of perennially active Chinese tongues, and the whir and hammering of all manner of busy artisans. Vendors cry their wares in shrill tones in the streets. An occasional donkey adds his mournful voice to the chorus. Wheelbarrows and handcarts squeak noisily. Night and day the din is unstilled. Occasionally a high official sirens his way through the crowded streets in an automobile. In the "old days"—that is, before Chang Tso-lin moved to Peking in 1926—the great Manchurian war lord used occasionally to fare forth in his armored motor, on which was mounted a machine gun. When he did so his chauffeur sounded a special horn and the streets were cleared as by magic.

On a side street, not far from the border of the old and new cities, is the temple where Willard Straight, the brilliant young American Consul General, lived and dreamed of American enterprise to develop Manchuria to thwart Japan. Straight's plans came to nothing, and Japan moved rapidly on to overlordship. In the Japanese section, not far from Straight's temple, stands the house of the Japanese Cousul General, unobtrusive, but none the less the seat of power in Manchuria.

Outside of Mukden is a golf course for the Japanese and other foreigners. "Young Chang," who has fallen heir to Chang Tso-lin's throne as war lord of Manchuria, occasionally is to be seen on the links with his American friends. Just beyond the golf course, in a grove of cedars, are the tombs of the Emperors, with the magnificent avenue of approach lined with stone figures of elephants, tigers and all manner of strange animals. The buildings themselves are in the best Manchu style, with roofs of golden tiles and plentiful colors.

Old and New in Mukden

In Mukden, as elsewhere in Manchuria, the old and the new are thus side by side. In fact, throughout it is a land of contrasts. Bandits out of the Middle Ages prey on farmers using the latest tractors and machines from the United States. Hospitals fully equipped in the most monern style have been built in a country whose faith is still in witch doctors. The "Young General" is proud of his tennis. His father, who died this Spring, was proud of his ruthlessness in disposing of his political enemies.

A hundred miles north of Mukden the South Manchurian connects with the Russian-built Chinese Eastern Railway which is now jointly owned by the Russians and the Chinese. At the junction city of Changchun, Japan and Russia come face to face in China. The Pullman train of the Japanese South Manchurian draws in precisely on time on the platform. Neat porters carry your baggage to another platform. There, if Providence so disposes, a half dozen dirty Russian railroad carriages are drawn up. Sloppy Russian porters take the bags, and ungainly, largeframed, bearded Russians, looking for all the world like brigands, stand idling about as guards, with long heavy rifles slung over their backs. When the engineer has finished talking with his friends, and the cars have been packed with Chinese and Russian and a few European or American travelers, the train lumbers slowly northward for a hundred miles to a bit of Russia set down bodily in the heart of North Manchuria—the City of Harbin.

Harbin the Colorful

Droshkies at the station, driven by bearded Russian refugees; Russian signs everywhere in the streets, Russians of all classes in the stores and houses, Russian night clubs, looking for all the world like their counterparts in New York, run by sleek, overfed men such as New York's night club frequenters have often seen; Russian food and drink, vodka and caviar; Russian music in the cabarets; extravagance and futility, and, outside, Russian orphans, gaunt, starved, homeless, uncared for, watching eagerly for a few pennies from the rich in their fight to keep alive—this is the Russian centre of Manchuria.

But in the outskirts of Harbin, as away from the railway zone in Mukden and all through Manchuria, everything is Chinese. The foreigners, Russians and Japanese alike, have come in and built great engineering works and brought the characteristics of the modern Western World. These they guard with foreign soldiers. But the foreign structure has been imposed from the outside, not built up from within. It is a thing apart. On all sides it is surrounded by Chinese who are ever working, working, working. Occasionally they mutter about the foreign interlopers, and talk of the day when they will drive them out and take over the railroads which the foreigners have built. But for the most part they mind their own affairs with outward indifference. There is about them an air of relentlessness. Nothing deters or daunts them. Each year waves of colonists move up along the railroads and spread out on the treeless land. Every week boats land at Dairen with starved refugees from Shantung. For many of them the

railroad is too expensive a luxury. By walking 300 miles northward they will save enough money to live for a month or more on a starvation ration.

Off hand there would seem little reason why Manchuria should be of such signficance in the East. It is a pioneer country, with room enough for all. But in Manchuria three rival economic forces are meeting: China's land hunger, which has driven 20,000,000 Chinese into Manchuria, to escape starvation; Russian imperialism, which must maintain control of the Chinese Eastern Railway connecting Siberia with Vladivostok across Manchuria, and which still hopes to exploit Northern Manchuria and to obtain a port in the south; and Japanese industry, seeking sources of coal, iron and other raw materials, including food and bean cakes, so that the people at home may work and not starve.

When Japan Succeeded Russia

It is because Manchuria is rich and undeveloped that it is coveted. Japan already controls its principal coal and iron mines, and has done much to develop its natural resources. In so far as these are of value to Japan, they are carried over Japanese-owned railroads to Japanese-controlled ports and shipped in Japanese vessels to Japan. For a while Japan had hoped to colonize Manchuria, the better to control it, and at the same time to relieve the pressure of population in her main islands. But the Japanese did not like the extreme climate, with its bitter Winters and blistering Summers. Furthermore, they found that they were unable to compete with the Chinese farmers, whose standards of living were lower than theirs. Japanese traders and small merchants managed to get a foothold, especially in the railway zone and where there was business to be done with foreigners, but even they found it impossible to compete with the Chinese merchants who catered to the local populations. A world often appealed to in behalf of the poor "downtrodden" Chinese, "enslaved" and "exploited" by ruthless foreigners, little realizes that when it comes to a matter of exploitation the Chinese are past masters, and that they are more than a match in defending their own interests not only against each other but against the foreigners.

Japan's rights in Manchuria are established by a series of treaties, most of which grew out of the Russo-Japanese War, fought largely for the control of Manchuria. Russia had been scheming to occupy the entire region and to make Port Arthur, a few miles from Dairen, her principal port in the Far East. Russia, in fact, even threatened Korea. So Japan, fearing that Russian expansion would endanger the Japanese, took part in the war that began in 1904, and as a result of it obtained Russia's concessions and later fortified these by additional treaty rights obtained from China. Japan thus became the dominant power in South Manchuria. By a secret treaty with Russia in 1907 a line was drawn dividing the Russian and Japanese spheres of influence in Manchuria and Eastern Mongolia.

As a result of the World War and the collapse of imperial Russia, Russian power in Manchuria was seriously curtailed. But Russian ambitions remain, and Russian resentment against Japanese "encroachment" in Russia's old sphere of influence has been keen. In particular have the Russians objected to the construction by the Japanese for the Chinese of a railroad running from Ssupingkai, north of Mukden, on the South Manchurian, to Anganchi, 100 miles west on Harbin, on the Chinese Eastern. Not only does this tap a rich virgin territory that the Russians had hoped to control, but it gives the Japanese a strategic railway, enabling them, in the event of war, to cut the Russian line nearer the Siberian border. The Russian railways in Manchuria, as in Siberia, are broad gauge. The Japanese and Chinese railways in Manchuria are standard gauge, like those in the United States.

An example of the methods used by Soviet Russia to check the Japanese in its effort to thwart by legal means the right of the latter to build the Chinese railroad across the tracks of the Chinese Eastern Railway at Anganchi. As the Russian interests by a previous concession controlled the rights of way and neighboring lands along the Chinese Eastern, the Russians claim that they have the right to forbid the new railway to cross on the level. They likewise have endeavored to contend that the Japanese agents for the Chinese could not tunnel under the Russian road or bridge it. But owing to the impotence of the Russians the point of view expressed by Marshal Chang Tso-lin has prevailed—that both railroads are, in fact, Chinese, and on Chinese territory, and that there is nothing to prevent one Chinese railroad from crossing another Chinese railroad on Chinese territory. Inasmuch as the Russian road is half under Chinese management, and that the title to the line the Japanese have built is vested in the Chinese, this argument is logical.

Japanese Versus Chinese

Today the struggle is ostensibly between the Japanese and the Chinese. The former have sought to keep the Chinese civil war out of Manchuria, and have let it be known that they would not permit any actions by the Chinese that might endanger Japan's economic interests in Manchuria. One of the leading Japanese officials admitted that Japan's position in Manchuria was tantamount to a protectorate. As this is inimical to the Chinese interests, and also against the accepted interpretation of international law, the Chinese naturally became aroused. They are determined to prevent the dismemberment of China and the annexation of Manchuria by Japan. In this they are counting, probably correctly, on world sympathy.

But China has nothing to gain by violence. She cannot yet successfully fight the Japanese. Her game is clearly to bide her time, for whatever the present economic desires of the Japanese or Russians in Manchuria, the influx of Chinese colonists by millions is effecting a sort of peaceful penetration which will help the Chinese in proportion to the strength of China proper. They can afford to permit the foreigners to build railroads and other modern improvements, well knowing that when the day arrives on which China will gain by taking them over she will be able to do so with none to gainsay her.

It is a strange struggle, this which proceeds in Manchuria. Two foreign powers, Russia and Japan, hostile to China but mutually antagonistic, are striving for mastery of the resources of a great, undeveloped country, while the Chinese people are filtering in by the millions and occupying the land. One of the foreign powers, Japan, represents in the East the new age of the West. The other is a survival of an earlier order of imperialism. Japan moves smoothly and rapidly, like her Pullman trains. Russia gropes and stumbles in heaviness and confusion. But China, moving at a slow walk and indifferent to immediate results, advances relentlessly and silently, content to trust for ultimate victory to the weight of sheer numbers and to the capacity for endless resistance which has kept the Chinese people alive during so many centuries of bitter hardships. In Manchuria the race is not to the swift nor the battle to the strong. Time works on the side of the Chinese.

Scheme for International Reconstruction of China

By John Nind Smith

Sun Yat-sen in 1910 wrote the greatest book of modern statecraft—industrial and economic construction. It was published in America and America knows it well. Its title is "The International Development of China." It was published by Putnams, well-known American publishers.

In it are developed two great schemes: one for the development of a great Southern Port, now in an advanced stage of construction (under German expert guidance, in place of the Russians) at Whampoa, the Canton Nationalist port.

The second is the great scheme for a Northern Port, to be the artery of trade for all China north of the Yangtsze river. This scheme is not yet started.

To empower this vast dual Reconstruction Scheme—to which the Nationalist Government has now added the scheme for Wuhan (the port of the so-called "stomach" of China)—Sun Yat-sen called on all the great developed nations of the world, to poll their rescources for the development, in World Peace, of the one remaining economic potential of an over-produced and too highly populated world.

That this key missing so far at all the Peace Congresses—is China alone,—must be obvious to any person not blindly prejudiced or morally insane.

Yet—when English finance comes forward to break the hold of Bolshevism on China, with a magnificent loan of £15,000,000 sterling at five percent, and actually less, there is a storm of world-wide abuse and indignation.

The people starve; Communism breaks out in Germany; A. J. Cook sweeps British Labor for Bolshevism!

This is a record which can only be regarded with horror, as one regards a lunatic or an opium-smoker.

"O. D. R." Writes a Book and Reviews It

O. D. Russell, who occupies the position of "columnist" on the *Japan Advertiser*, the American newspaper in Tokyo, has written a book, the title of which is "Achi Kochi." The book consists of 181 pages of short articles, most of them in humorous vein dealing with matters and things of current interest in Japan. Mr. Russell reviewed his own book in the "Achi Kochi" column of the *Advertiser* on September 27 and after explaining the merits of the production, the price, which is Yen 2 and the fact that it is published by the *Japan Advertiser Press*, he concludes, "it's a darned good book, the like of which has never been done before in Japan and probably never will be again."

Difference Between Japanese And American Attitude

BY DR. S. WASHIO

(Reprinted from the Japan Advertiser)

THE outstanding difference between Japan's China policy and that of America seems to be that the latter is hopeful and desirous of the success of the Nationalist revolution while the former is distrustful of it and I may add not altogether inclined to welcome the prospect of unified China. I do not mean to say that this is the attitude of the whole of Japan. We know how Baron Shidehara had a different outlook and how the policy of the present Government is not enthusiastically supported by the press. But it is the attitude of the Tanaka Cabinet to which there is at present no effective opposition. Its so-called strong policy is in the main believed in by the Privy Council and upheld by a majority of capitalist interests, particularly those of Osaka. The press does not represent the opinion of these ruling classes and while disdainful of their "reactionary policy" is not definitely committed to any alternative. At the same time the very fact that the press does not support the Government's policy is an indication that within the ruling classes themselves there exists an under-sentiment of misgiving concerning the strong policy, not only about the swaggering and bungling pursuit of it by the Tanaka diplomacy but about its principle, the efficiency of force. Because of that misgiving "the reactionary policy" is not pushed thoroughly and is prone to relapse into a waiting policy.

No Definite Policy

Baron Tanaka has repeatedly urged national solidarity of opinion and sentiment about China policy. But he is asking something for nothing. The Government itself has no definite policy. It did not have a well thought out concrete program when the Far Eastern Conference was convened. When it produced an undesirable reaction in Manchuria, Government spokesmen put the blame on the press propaganda. It did not know exactly what object was to be achieved by sending troops to Shantung. The troops were dispatched professedly because the Government could not trust the discipline of the Southern army. But on the very spot and in the most critical time Chiang's pledge to keep discipline was lightly accepted, and the troops were off their guard. Frankly most Japanese do not know even now what was the real object of the dispatch. Many suggested that 5 per cent of the cost would recoup the Seiyukai with another election campaign fund. Can national solidarity of opinion and sentiment be asked for a cause that was widely suspected? And at the top of all these dubious causes came the notorious advice to Mukden, which is on the Government's own explanation no definite policy. What is it, then, that the Government is asking the nation to support. It is vaguely called a "strong policy." But strong for what and how? What is the ultimate purpose? It is true that the prospect of the success of the Nationalist revolution is still very unreal and the Government's distrust of it, which is shared largely by the press also, may be the correct reading of the situation. If this is what the Government is asking us to support the opinion is almost unanimous, the American hope notwithstanding. But that is China's own problem. Even if a disunited China be desired for Japan's interest the effect can be achieved better by waiting with folded arms. And if unification is really ripe in China herself Japan can't prevent it. On the contrary, an appeal to force will accelerate the tendency. Indeed, war with Japan might achieve China's unification, which nothing else may bring about. Surely the Government can't be asking the nation to support a policy that will lead to such ultimate result.

Japan's Vested Interests

I think that even within the army there is this misgiving about the so-called strong policy. But why does it appeal vaguely to most Privy Councillors and capitalists as well as the army and the present Government? The explanation is to be found probably in unanalysed sentiment of inertia. It is human nature to cling to past accomplishments. When a man stands at cross roads of changing fortune it is one chance out of ten that he chooses a new road. The more dismayed he is the more likely is he to fall back on the old habit. The new outlook is unsubstantial while there are many vested interests build on the old line of policy. The Japanese interests in China, which are mainly in Manchuria, were secured by force and built up on the basis of protected interest. They are not spontaneous economic developments. And it is natural that the army and capitalists who marched together would think the whole economic edifice would crumble the moment force becomes ineffective. Even our home industries are brought up to look to the Government for protection. How much more so must be our industrial interests in a country like China, where they have been protected by low tariff, concession, extraterritorial privilege, etc. Japan has at present most of such specially protected industrial interests and the Japanese sentiment, especially the sentiment of those Japanese who have their own special interests at stake, must naturally be different from the sentiment of a country like America that has no great vested interests to speak of.

Tariff Autonomy

Take the question of tariff autonomy, for instance. The American or British or German articles of export to China are highly technicalized finished products that China will not be able to produce in any conceivable future. A higher tariff will not affect their fortune provided the Chinese have money to pay for their demands. But from 70 to 80 per cent of the Japanese export value to China consists of goods that China is already beginning to produce for herself and can be produced almost at any time to advantage if protected by a higher tariff against the Japanese competition. Disorderly and chaotic China is certainly a hindrance for our China trade but unified and progressive China is also a menace when considered from this point of view. While China remains unsettled for the industrial development there may be such a thing as boycott but most Japanese export articles to China are bare necessities to the Chinese. Boycott is suicidal in its very nature. It can't do an enduring and wholesale harm, but what if China begins to replace these things with her own products?

Investments in China

The Japanese investment to China is in a similar predicament. Total amount of our investment reaches some Yen 2,000 millions. One-third of this is political loans made at the time when China was disunited and in the thought that our force was a sufficient guarantee to translate it into some kind of special privilege. The rest is industrial investments but the industrial interests on which it is invested are specially protected interests, which will not yield a sufficient return for the amount of the capital invested but for the special privilege. That is to say, money did not move to China through the natural operation of economic law. Japan was a debtor nation before the European war and is so again. Except for the brief period of the war boom we have never had superfluity of capital to seek foreign investment. Yen 2,000 millions would never have moved into China but for the profit that was expected to come from special privileges secured or to be secured by political force. Disunited and chaotic China prevents the smooth operation of these investments. But if China is unified and becomes able to look after her own business these investments must in the long run be reduced to the limit the industries are able to bear under normal Chinese condition and without special protection. That amount is probably to be greatly deflated.

Back to Reality

So, the problem Japan is facing in China is economically similar to what she is facing at home. In both cases the evil lies in protection policy. In the notorious advice to Mukden Chang Hsueh-liang was tempted, it is said, by the suggestion of new loans. It is fortunately put off. But if it were accompanied by an actual advance the economic effect of it would have been similar to the relief legislation of the last year's spring panic. It would have only deepened the cause of instability and friction. What is needed in both cases is the return to natural operation of economic law. Japan is a natural market for most of China's raw materials. China herself will suffer if she loses this market. The security for it does not depend on our political force. The only rational policy toward China is to put our own home in order, to build up an economic fabric that can stand on its own merit on the highway of the world commerce.

Criticises Wrist-watches, Shell-rim Glasses and Free Love

Marshal Feng Yu-hsiang, in the course of an address delivered before an audience of 3,000 students in Sianfu, the capital of Shensi Province, severely criticised European and American returned Chinese students according to a report issued by the *Ta-Chung* news agency on October 2. Marshal Feng's remarks on the subject were as follows,

"The returned students, after they come back from abroad, invariably find that they have been thoroughly foreignized and cannot stand the hardships and inconveniences. They pay more attention to their foreign apparels, their expensive suits, polished leather shoes, high-priced wrist-watches, shell-rim glasses, their well-groomed hair and their free love. Aside from these things, little can be said for them in the way of real education and few of them can be said to possess real ability. I do not mean to look down upon the returned students but it is generally known that what I have said is the true situation."

Baker's Report On The Shantung Famine

(The following letter which was written by John Earl Baker, General Secretary of the China Famine Relief Association of the United States, to Hsueh Tu-pi, Minister of the Interior of the Nationalist Government, constitutes the first complete report which has appeared on the subject of famine conditions in Shantung Province).

Shanghai, September 26,1928

His Excellency,
Hsueh Tu-pi, Minister of the Interior,
Nanking, China.
Your Excellency:—

Since my call upon you in July I have taken occasion to travel through Shantung, following the ordinary rail route from the south to Techow, thence by motor car to Lintsing into Chihli as far as Taiming-fu back to Nankwantao, Kwanhsien, Tungchangfu and easterly to Yencheng. Also, I have gone into Chihli by cart, following a route westerly from Lintsing; and by rail I have travelled from Tsinan to Tsingtau.

There can be no doubt in the mind of any man who will follow this route that in western Shantung and southern Chihli a severe famine will be felt during the coming winter months. Indeed, the more unfortunate portion of the population in this area is already very badly under-nourished.

Failure of Kaoliang Crop

In certain portions of Enhsien, Kuchen and Kaotang and throughout the counties to the west of these, the kaoliang made only a slow growth up to the time the summer rains began. These were late in arriving, and when they came, the seed pattern was already formed. The moisture, as a result, did not fill the seed but rather caused the stalk to grow to the normal height, leaving at the top a head of grain little heavier than chaff. The normal head of kaoliang is so heavy with seed that it resembles the spray of a fountain. But this year a head of kaoliang resembles more nearly the straw of a broom.

Due to drought millet is short but with the rains it began to make a good growth. However at this time a plague of grasshoppers began to attack this important crop. The favorite method of attack was for the insect to insert his mandibles in the soft neck which connects the seed with the stalk. Here he sucked the sap rising to fill the seed, with the result that the heads of millet are left with no more substance than so much chaff. The glutinous millet at the same time was attacked by a small worm which sucked away the seed filling sap at the base of the plant. In other places, another form of worm, known in America as "the army worm" ate the leaves of the millet off the stalk, with the result that no carbon was taken from the air for the growing seed, and a chaff-like head of seed is the consequence.

Plague of Grasshoppers

Of all these plagues, the grasshoppers have been the worst They began to work early and continue up to the present. In some sections, three generations have appeared this season, and as each female produces about one hundred eggs, the rate of multiplication is very fast. Swarms obscuring the sky for several minutes have passed over such cities as Taian, Tsinan and Tientsin. But apparently, the damage done in the neighborhood of Tientsin is only slight whereas that done in the belt ranging westerly from Taian, Tsinan and Techow is severe, not more than one-third of a crop being realized at best and in some places probably no more than one-fifth.

In many of these counties, crops during the last two or three years have not been good. In addition the recent warfare has stripped them of much movable property, although much of that had been sold previously in order to pay the inordinately high taxes which have been imposed during recent years. Your Excellency may not know that the land tax in western Shantung is $1.00 per *mou*. This is three times as high as the land tax in one of the most prosperous dairy states in America. As a result of all of these conditions not only do the people in the affected region have no more than a third enough food to carry them through to the next harvest, but they have no means of buying it. There is no money in the country to borrow; farmers are unable either to sell or to mortgage their land. I found large numbers of people mixing chaff and weeds into their food so as to make the little kaoliang and millet last as long as possible. In one town that I visited, certain cotton spinners had nothing whatever of an edible nature other than some parched grasshoppers. They had eaten so much unwholesome food that sores were breaking out on their faces and necks.

Area Fifty Miles Wide

As nearly as I can estimate from my travels and from maps at my disposal, the most severely affected territory has an average width from east to west of probably more than fifty miles. The length of this district from north to south is something more than one hundred miles, but, allowing for occasional patches of good crops, it is perhaps just to estimate the affected area as five thousand square miles. There will be found many seriously affected villages outside of the area which I have just indicated, but these need not be allowed to interfere greatly with the estimate.

The population of Shantung averages something over 500 to the square mile. Western Shantung is more populous than the mountainous eastern portion. Southern Chihli is even more thickly peopled than Shantung. However, a great exodus from this region in Shansi has reduced the population considerably. Nevertheless, it is probable that these 5,000 square miles contain some 3,000,000 people.

From October 15 to June 15 (the spring harvest) is nine months. Assuming that the food in this territory is sufficient for a third of the period, food for 3,000,000 during six months must be brought into the afflicted district. To be sure, many people will move away—not an entirely desirable procedure. Others will have means of borrowing or in other ways securing food. But after allowing for all reasonable reductions of that sort, it seems probable that as many as 2,000,000 people will need to be fed by outside means as long as six months, if they are to be maintained in health and strength. On the average a healthy person requires one catty of food each day. Six months are 182 days. If care is given to the subject of food supply, it is probable that prices can be kept as low as four cents per catty of kaoliang, peanut cake and bean cake. Hence a little more than $7.00 will be required to feed the average period during the famine period, or a total of more than $14,000,000.

Pleased at Government's Support

I have been pleased to learn that the government has appropriated certain sums of money to be used in this connection; to find that Chinese philanthropic societies are acting in the matter, and to find that they are publishing reports of their activities. In one case I made inquiry in a few hsiens visited and ascertained that the published reports were correct. I trust that much more will be done along this same line. But it is equally important that every effort be made to restore railway service so that the normal forms of employment may be resumed and so that food may be brought within a reasonable distance expeditiously and cheap. It is also important that lawless elements who are preying upon the defenceless people be suppressed vigorously. In addition, it is desirable that such public improvement as the government can finance be engaged upon so as to give the people that additional form of employment, as a means of earning food.

I have from time to time made reports to my principals in America to the effect that not only is assistance needed but that it is practicable. Whereas, certain precautions will be necessary to avoid danger to personnel and loss of funds, I believe that my travel in the affected districts without incident tends to indicate that in those regions relief can be administered effectively. Already several thousand dollars worth of grain have been distributed to some of the most needy. A piece of dyke repair near Techow and a drainage channel near Taian have been completed as a means of famine relief through employment.

At the present time, China Famine Relief holds in New York the equivalent of about $500,000 (Mex) which it is willing to devote towards the relief of this area. The Shantung Committee, of the China International Famine Relief Commission, having investigated some of the districts through its agent, Dr. F. F. Tucker, has voted to repair certain highways and to dig a certain drainage canal as a means of giving gainful employment to the famine sufferers. I have secured a grant from my principals sufficient for this purpose. In addition there are certain dyke improvements upon the Grand Canal and along the Yellow river which offer a much larger field for useful employment and should be attempted at an early date.

But since this famine was caused largely by drought (It is alleged that there is a connection between grasshoppers and drought also) it seems most appropriate that if possible the work which is attempted should have to do with the prevention of further droughts. Of course, it is impossible to affect the rainfall, but irrigation can take the place of rain. Hence it is proposed to experiment with the digging of wells for this purpose.

Need For Deep Wells

Over most of the area in question, the surface water is only 25 or 30 feet below the level of the ground. In Tingchow (Chihli) in 1921, funds over which I had control were used to dig some 3,700 of such wells. These have been so useful that the neighboring farmers have dug several thousands more. It is believed that the same results may be expected in the area now under discussion. In some sections the water is "bitter", that is alkaline, which makes it unsuitable for irrigation, but outside of such districts, well water is entirely beneficial.

The digging of a well gives employment not only to the several persons who do the digging, but also to the equally

large number who burn the brick with which the well must be lined. In case of "bitter" water, the well must be abandoned. The brick can be salvaged, but the labor involved will be lost. Nevertheless, the loss will be to the famine relief society rather than to the farmer. The men who do the work will be paid whether the water is "bitter" or "sweet".

The cost of a well is about $70. If the well contains "sweet" water this value will be added to the farm of the owner. His farm will have additional productiveness. It would not be fair to give one farmer a $70 well and to deny another. Hence, it is suggested that the owner should repay the cost of the well in some five or six annual instalments. In that way, the money now advanced for famine relief may be recovered and used again and again, as often as it is repaid.

Chinese Approve Plan

I have talked with a great many people about this project; among them being the government committees at Taian, hsien magistrates, farmers, gentry, merchants, all of them being in the affected area. The plan has been approved by them in principle, hence I have recommended to China Famine Relief that $100,000 be allocated for the digging of wells. This recommendation has been approved and $25,000 has already been remitted for the purpose.

No wells will be dug in any county unless the hsien magistrate approves of the plan and the farmers desire them under the terms offered. The collection of the instalments of principal when due will require some cooperation from the local authorities, but no more so than that usual in all business dealings. It is our purpose to make the arrangement between our society and the farmer who will own the well one of a purely business nature. We expect to charge a reasonable rate of interest but not usury.

One hundred thousand dollars (U. S. gold) will pay for something more than 2,000 wells. Each well will irrigate about 20 *mou*. This 40,000 *mou* is only a small fraction of the total area which could probably make good use of wells. The five thousand square miles in the famine district contain approximately eighteen million *mou*, or four hundred times the area which can be irrigated from 2,000 wells. If the early experience with arranging for these wells is encouraging, probably additional sums may be obtained to expand the program.

Original Plan to Raise Ten Millions

I am not in a position to advise you as to the present plans of my principals. Originally it was planned to raise a fund of ten million gold dollars, part of which should be expended in relieving the distress in Shantung and the remainder of which would be used in succeeding years in other places wherever the need appeared. Whether, as a result of my reports and other conditions any change will be made in this plan, I do not know.

You will notice that I have made no reference to the southeastern portion of Shantung, to northern Shansi and to certain other districts, all of which are known to have had drought and a great deal of suffering. I have not visited those sections I did not visit them purposely. From careful inquiry, I have learned that those regions are suffering partly from drought, but principally from banditry; that even if the people were helped over this year, they would be no better off next year, for the bandits take all their movable property and destroy much of the rest. In Feihsien, for example, I am told that 1,600 out of 2,000 villages have been destroyed, by bandits. To ask the American people to contribute towards the support of a district such as that would be to have them refuse to place any confidence whatsoever in any of our intentions. So I have purposely refrained from investigating in any way territory of that nature.

Nevertheless, it, with the pacification of the country, the military authorities should adopt a comprehensive plan of bandit suppression, so conceived and so carried out that it might appear to our representatives as likely to be permanent, and if the assistance of our society were desired, it might be possible at some future time to consider some form of work relief in such districts as a means of giving the honest intentioned people a means to an immediately honest livelihood.

May I express to your Excellency my appreciation of the courtesy which I have received at your hands, and from all of the provincial and local officials with whom I have met. Nor have the casual persons with whom I have travelled been backward in expressions of friendliness and acts of courtesy. I shall take pleasure in taking with me the memory and in reporting within my own country these fresh evidences of friendship towards Americans on the part of the Chinese people, a friendship which reciprocates that which Americans feel toward those of China, and of which this tender of assistance to the famine striken is a token.

Respectfully,

JOHN EARL BAKER,
General Secretary, China Famine Relief,
419 Fourth Avenue, New York.

Kwangsi, Once Backward Now Becomes Progressive!

BY HIN WONG

THE Kwangsi University at Samkoktsui, Wuchow, to be the crown of the educational system of the hitherto unknown Province of Kwangsi, will be formally inaugurated on the 10th of October, 1928, in the presence of the highest officials in South China who may be able to accept the invitation. This is significant when knowing that, under the Red menace at Canton two or three years ago, Kwangsi spent less than $600,000 annually in education. The present annual educational budget amounts to more than $3,500,000, exclusive of the university building fund which, alone amounts to several million dollars when completed.

For the opening, only the preparatory courses to the University will be given; but when in full swing, there will be colleges of agriculture, mechanic arts, engineering, and letters. Special attention will be paid to the colleges or agriculture and mechanic arts. It is generally realized that full development of agricultural and mineral resources of Kwangsi depends on the own initiative of the people of Kwangsi themselves, and technical knowledge and professional learning will become just as important as capital and investment. Due consideration of this will be given by the authorities of the University.

In the absence of a university, the Province of Kwangsi have already inaugurated a number of technical institutes. In Nanning, the capital of the Province, there is an institute of communications, offering courses which will fit men to become telegraph operators, highway construction workers and foremen. Attached to the several agricultural experiment stations and forest reserves are sections of education where subjects allied to these lines are studied and demonstrated.

At Wuchow, the head-office of the Provincial Bank of Kwangsi has just completed a course of banking and currency for the benefit of the junior employees, and since the beginning of September, graduates from the course have been despatched to the branches of the Bank at Kweilin, Liuchow, Nanning, Poseh, and Lungchow as cadets for practical experience.

Training Surveyors

Recently the Provincial Authorities sanctioned the opening of an institute for the training of surveyors, but on calling for candidates for admission, the committee in charge of entrance examination have set the standard for passage too high, and another examination will be held at Wuchow and other localities. It is the intention of the civil administration in Nanning to reform the land tax system by a new survey of the Province. Under present law, the tax produced by the district of Wuchow, one of the leading *hsiens* of Kwangsi, amounts to little over $60,000 a year, which is very low and points to the necessity of modification and improvement in the existing methods of calculation and assessment.

Since the departure of the radicals from South China, Kwangsi has been able to go ahead also in social education. The last few weeks saw General Wong Shiu-hung, chairman of the Administrative Council of Kwangsi, and General Wu Ting-yang, commissioner of Reconstruction of Kwangsi, touring the important towns and cities of the Province. Everywhere to those who had assembled to welcome them they gave speeches recommending constructive endeavor and the planting of *Tung* trees for wood oil and other articles which the outside world now demands in great quantity from China, provided she has it and in good quality.

Since the beginning of highway construction, nearly 2,000 miles of roads are now passable for motor cars and motor buses, and drivers and mechanics are needed, and early October a school will be opened in Wuchow to train men for these purposes. Forty men will be accepted for the first class, and applicants for admission have been advised to file their particulars before September 25th. More than 300 cars of all makes have already entered Kwangsi, they being mostly Fords, Chevrolets, and Fiats, and a few B.S.A. motor-cycles. The Ford men have a travelling agent in Kwangsi just now. Cars for demonstration purposes are admitted free of Customs duty and other taxes.

Health Education

Early September, the Municipal Department of Public Health of Wuchow had a week of health education with the support of local schools, hospitals, physicians, and cinemas. Thousands of persons attended the lectures, demonstrations, and disease prevention pictures displayed before regular shows of the motion picture theatres. Two such educational weeks are to be held every year, by order of the Provincial Authorities in every large town and city.

Of course, the principal city of learning in Kwangsi is

Kweilin. Here are located the provincial school of law and political science as well as a number of normal and middle schools supported by the Province. The Church Missionary Society (British) and the Southern Baptist Convention (American) have extensive educational work in this city. Recently a group of modern scholars recruited from Nanking, Peking, Shanghai, and Canton visited Kweilin under the auspices of the Kwangsi University Council and gave a series of lectures there.

Modern primary schools are now found in every town and city in Kwangsi, and aside from the regular curriculum, the boys and girls play basket ball and adopt the boy scout movement.

The Province alone support at least seven normal schools for boys and girls and eleven middle schools, in addition to private institutions which number many more.

Eight Christian protestant missions have educational and evangelistic work in Kwangsi, and missionaries are scattered all over the Province. There are also Catholic Missions at Lungchow and other places doing educational work. Both Kweilin and Wuchow have Bible schools to train young men and women for the ministry or inland missionary field.

Subsidies for Newspapers

Practically all large publishing houses in Shanghai have branch sales offices or agencies in Wuchow, Nanning, and Kweilin, but so far they have no adequate record of the amount of books sold. The mission book-sellers, however, all report increase of sales, but they, too, cannot account for the rapid increase of literacy throughout the districts of Kwangsi. Christian literature are sold and not given away and, despite anti-Christian movement under Red regime in Canton and other South Chita provinces the last two years, people still buy Christian books, and the people must have had a desire for reading, otherwise, would not have bought them.

The Province of Kwangsi has subsidized a number of newspapers, including the *Min Kuo Jih Paos* at Nanning, Liuchow, and Wuchow. Several news agencies and magazines are supported by the Kuomintang committee in different cities of the Province.

Besides the university scheme, Kwangsi have another ambitious enterprise to make their territory and resources known to the outside World. In October 10, 1929, the 18th anniversary of the Chinese Republic, at Liuchow, the Kwangsi Government will stage an industrial exposition, to which foreign merchants in China and abroad as well as Chinese firms and organizations are being invited to send exhibits.

Representatives of the Kwangsi Exposition are now in Canton, Hongkong, and Shanghai with plans calling for tenders to erect the necessary buildings for the fair ground at Liuchow.

Kwangsi have been the first in China probably to have permanent trade commissioners stationing abroad or travelling in foreign countries to make the Province better known. In Hongkong, the Bureau of Construction of Kwangsi is stationing a trade commissioner, and his duties, aside from the sale of mining products and attending to purchases and transportation of government supplies, include the reception of prospective visitors to Kwangsi and the giving of information to those intending to extend their trade to this part of South China.

Kwangsi also have an information office at Wuchow to assist overseas Chinese returning to South China with intention to look over that territory as a field for possible investment and trade.

The present regime in Kwangsi, therefore, are not only giving special attention to the education of the citizens but also of the outside public in matters of mutual interest. The year 1928 sees the inauguration of the Kwangsi University and next, the opening of the Kwangsi Exposition.

Hongkong, Sept, 28, 1928.

Publisher of Baltimore Newspaper Will Fly to China

Van Lear Black, millionaire publisher of the *Baltimore Sun*, Baltimore Md., has announced his intentions of flying to China, making the trip from Europe to the Cape of Good Hope, Burma, Siam, French Indo-China and then to China and Japan. Mr. Black has just returned to America from a nine months' flying tour of Europe. His tour included twenty countries from London, England to Khartoum in the Sudan and from Holland to the Dutch East Indies. He used a Fokker plane and was accompanied by two pilots and his valet. In referring to his experiences in an interview in the *New York Times* Mr. Black stated that the city of Wadi Halfa on the Second Cataract on the Nile was the hottest place he visited. "It was nothing but sun and sand and was fierce."

The New Prestige of the Nationalists

BY HARVEY R. HARRIS

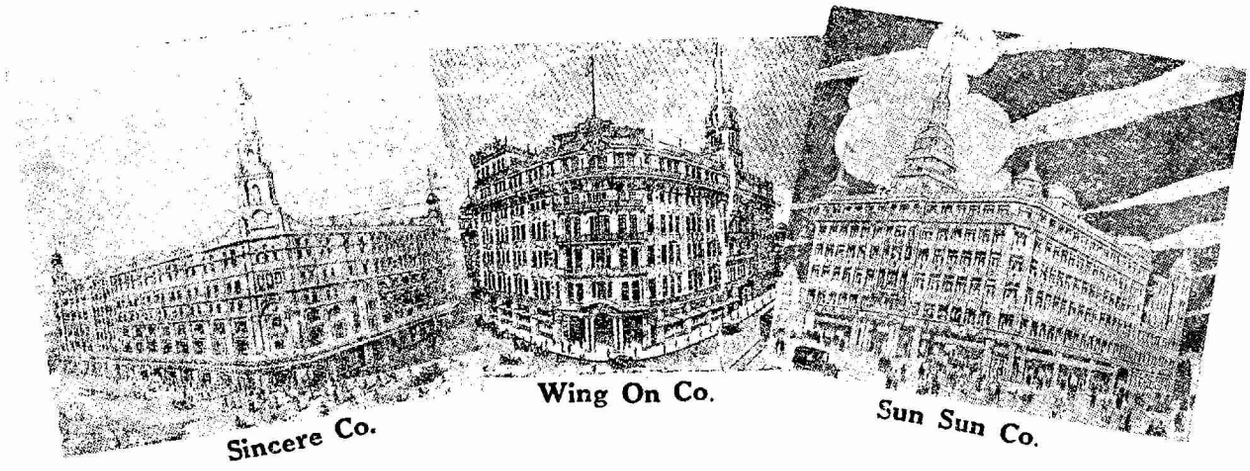
THE World, including the Chinese, is beginning to exhibit traces of genuine confidence in the Nationalist Government at Nanking. The gesture of America, which recognized the right of China to tariff autonomy, and the late progress of negotiations towards new equal and reciprocal treaties between China and Belgium, Czecho-Slovakia, Sweden, and other countries have contributed without doubt a definite impetus in the direction of such confidence; but the great source of this late and growing manifestation must be sought in the steady stream of splendid programs and plans for the reconstruction of China which the General Authorities have promulgated with unquestionable sincerity, and in the fact that the Kuomintang has failed to fulfill a certain general expectation, namely, that it would soon collapse because of internal dissentions. The World, so long prone to denounce all of China's military and political leaders as harborers of unpatriotic motives, so long skeptical of the intrinsic power of the Kuomintang to unite its forces willingly and effectively for the sake of China, now stands bewildered at the spectacle of quondam Weakness consolidating its poor powers and suddenly standing forth in finely developing strength;—and this despite dire opposition both from those who are admittedly hostile and from those who should be most helpfully loyal. The scoffers at this moment are awkwardly silent; China's neighbors are beginning to tremble before the awakening giant; the true friends of China are taking deep breaths to relieve the tension of long, hopeful watching and are preparing for great rejoicing.

This strengthening confidence is fully merited by the Nationalist Government, whom we now know to be earnestly striving to create a fitting state for Chinese democracy; and it comes to them at a time when it is most welcome. Beset with a most intricate mass of problems both foreign and domestic, handicapped by lack of funds, threatened with corruption by agents of selfish or reckless influences, most seriously denied the country's universal sympathy and understanding, mercilessly criticized by those who cannot see why a young, inexperienced government should make mistakes, the Nationalists at Nanking have shown themselves ever hopeful, ever industrious, ever determined; but the Public Mind conscious only of internal differences, of mistakes and delays, has been able to hold of the Government only disparaging thoughts of weakness and inefficiency. Such handicaps to achievement as I have suggested are still grim realities in the life of the young Government and are endlessly working to effect long, discouraging delays; now, however, we are inspired to hope that many of those deprecatory thoughts with which we are only too familiar will lose much of their prevalency.

The Voice of Public Opinio n

Public opinion is a hard taskmaster; but its judgments are as often sound as its condemnations or eulogies are just. In the case of the Nationalist Government, it is true that Public Opinion still holds reservations. Although it has lately learned to believe in the sincerity of the Government, Public Opinion knows the still possible dangers from unscrupulous military combinations and from petty animosities that may deter or prohibit effective cooperation at Nanking. Until the Nationalists have satisfactorily demonstrated complete control of all the major military factions within the country, and full ability to stave off the evils of petty personal antagonisms, full confidence will be withheld.

It appears that the Government's acquisition of the full confidence of the people of China (with respect to the conditions just named) may be a matter of but a comparatively short time. What is not so apparent is the regard in which foreign nations will hold China upon her attainment to a place of equality beside the powers of the world. I am thinking, primarily, of China's present intense concern for herself and of certain unfortunate tendencies that spring, partly from that concern, partly from her disposition to anti-foreignism. More definitely, many of the loyal citizens of China recognize that many of the great needs of the country can be supplied only by foreign countries and through foreign channels. This is openly admitted. But the same citizens are surprisingly slow to recognize that China should hardly expect to be popular among the nations so long as she holds out her hands expectantly, as though contributions to her welfare were her due, without showing some willingness to cultivate a feeling of genuine friendship for the powers from whom she must accept such contributions. There are many foreigners who complain that China will take needed instruction and trade and even proffered friendship, when it offers practical advantages, but that she will give in return only trade—no instruction and certainly no genuinely felt friendship. Statements are sometimes heard to



98 percent of Shanghai Residents Buy at the Department Stores

In the year 1900 the first department store was started. During a period of 28 years department store business has been developed to such an extent that there is practically no single man or woman who has not purchased something from the department store. Such radip development and prosperity of the business is due to the wise policy of selling only quality goods.

The Three Big Department Stores on Nanking Road buy directly from factories in all important cities in the world in large quantity and on cash terms. That they earn cash and trade discounts and pay no commission to middlemen makes the price of goods sold at the department stores always lower than in the market.

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the effect that the Chinese idea of a friendly foreigner involves an altruism which will give China everything she wants and a studied refusal to come to China except for the purpose of carrying on legitimate trade or necessary diplomatic negotiations.

China's Struggle for Place

These statements may be a little strong for the present day, but the basic truths, involving as they do China's proverbial individualism, can scarcely be denied. We see the same deep-seated trait in a recent editorial in the "Chin Pao", the official newspaper of the Nationalist Government: "Through the League (of Nations) our people come into contact with other countries and civilizations. An able representative at Geneva, by clever diplomacy and popularity among the delegates, can do much to enhance the international prestige of our country... There are many cases where we will have to have international co-operation". Again, in a statement made by General Pai to Mr. Grover Clark, editor of the Peking Leader: "China, of course, belongs to the Chinese. We do not propose to turn control of affairs here over to the foreigners. But we realize that western countries have had a good deal of experience in politics, industrial development, financial affairs, engineering and other lines which we have not. We know, too, that if we can have the help of advice based on that experience we probably can save ourselves a good many mistakes, and get our country on its feet with less waste of effort and time. On this basis we want foreign help". General Pao continued: "And I believe that it will be well worth the foreigners' while to give us the help we need, not only because a stable and orderly and friendly China will be much more profitable to the western nations in trade relations than China as she is to-day, but also because this new China will be able to contribute in many important ways to the development of world civilization along lines which will be beneficial to all". In this latter statement, General Pao does try for a moment to offer friendship as an inducement; but it does not require deep penetration to see that there is no very strong emphasis on this element. There is considerable doubt whether China's friendship could be much stronger than home practicabilities warrant, and this doubt subsists because there are evidences, everywhere, that China feels that she has been forced into acceptance of Occidental ways and that she accepts modernity almost half-heartedly—certainly not without the imbedded and bitter thought that it was the foreigner who aroused her and flung her into modernity. It cannot be lightly agreed, in short, that the friendly Chinese are willing to cultivate a real bond of friendship with foreigners, such, for example, as that which exists between France and the United States.

I am eager to see China win in her struggle for prestige and place; but I wish to see her beloved as well as respected. It is well for China that the present Government is gaining the confidence of the people; it would be far better for China if, to become beloved, she would pause to meditate on the fact that the world is composed of many nations, that each nation is composed of human beings whose various characteristics include the one which asks for genuine gratitude for services rendered. The English have preserved a fragment of their legation wall (in Peking), which the Boxers had ridden with bullets, and have printed upon it the words, "Lest we forget" a good example of the type of spirit which works for the perpetuation of hatred and for the easy kindling of war. Old grudges and animosities should be crushed; and the English should do away with that monument to English sensitivity and pettiness. I hope China will not, in a similar way, cheapen herself in the eyes of the world by pointing everlastingly to her early wrongs and sufferings. If she is truly noble, China will put these aside, and will strive to contribute continuously to international good will and friendliness.

Shanghai College, September 27, 1928.

Colonel Davis of Marines Departs for United States

Colonel Henry C. Davis, Commanding Officer of the Fourth Marines in China for more than a year, departed from Shanghai last week with his family for the United States. He has been assigned to duty at the Marine Base at San Diego, California. Colonel Davis had made himself very popular while in China. A large number of Marine officers and also Units from the British and French regiments assembled at the Customs Jetty to bid him *bon voyage*.

American Explorer Norden Will Visit China via India

Dr. Hermann Norden, the American explorer, who has been in Persia for some time, has announced his intentions of embarking on an expedition of exploitation through Burma, Siam, Tibet to China next summer, Dr. Norden's latest book, "Under Persian Skies," has just been published in London. It deals with an expedition across the Iron Mountains to the Persian Gulf.

Persia Ends Foreign Control

BY ALBERT HOWE LYBYER

(Current History Magazine for September)

THE Persia of Riza Shah Pahlavi has been moving steadily in the direction of complete independence. Whereas Persia before the war appeared to observers a hopeless victim of the two greatest predatory empires, Russia and Britain, with a worthless monarch, a divided and disloyal aristocracy and an extremely ignorant and unbelievably poverty-stricken common people, its revenues pledged to the foreigner and its territory marked out for speedy annexation, the Persia of today has become enlightened. She has an intelligent ruler, an educated upper class who are fairly well united in national spirit and who conduct with ability a cautiously progressive Parliament, a body of officials which is slowly being freed from corruption and trained toward efficiency, a national income which rather more than meets expenses, a policy of road and railroad building, a beginning of care for the poor and encouragement of their education, a disposition to liberate the female half of the nation from its excessive seclusion, and an actual freedom from foreign political influence on the part of any Power small or great, near or distant.

The most important developments of recent months in the direction of absolute self-sufficiency are the abrogation of the capitulations and the gradual elimination of American financial control.

The Prime Minister, addressing Parliament on May 10, announced officially the definitive abolition of the capitulations. Thus came into effect a decision announced a year previously. In the meantime negotiations had been conducted with a number of Governments to secure agreement upon either permanent or provisional machinery which should take the place of the capitulations in the foreign relations of Persia. On the same day the new treaty with Great Britain was concluded and a provisional accord signed with France. A similar accord was signed with Belgium on May 15, while a treaty of neutrality, conciliation and judicial regulation was signed with Italy on May 30. A note was sent to the United States Minister at Teheran on May 14 announcing a provisional arrangement which continues present relations as regards diplomatic and consular representatives and allows most-favored-nation rights to American citizens and American goods until such time as a permanent treaty of friendship and accompanying conventions may legalize the situation completely. A closely similar note was sent to the German Minister at Teheran on May 15.

Persia thus passes out from the regime of foreign control which began to be imposed upon Oriental nations with the concessions which Turkey made to France in the sixteenth century. Japan, Turkey and Persia have emancipated themselves; China is in process of so doing; in Iraq, Syria and Palestine capitulations are suspended, and Egypt has been promised a modification of the system. It has of course been necessary to arrange a process of transition by which foreigners receive an intermediate protection until the new judicial systems are adjusted to provide complete protection.

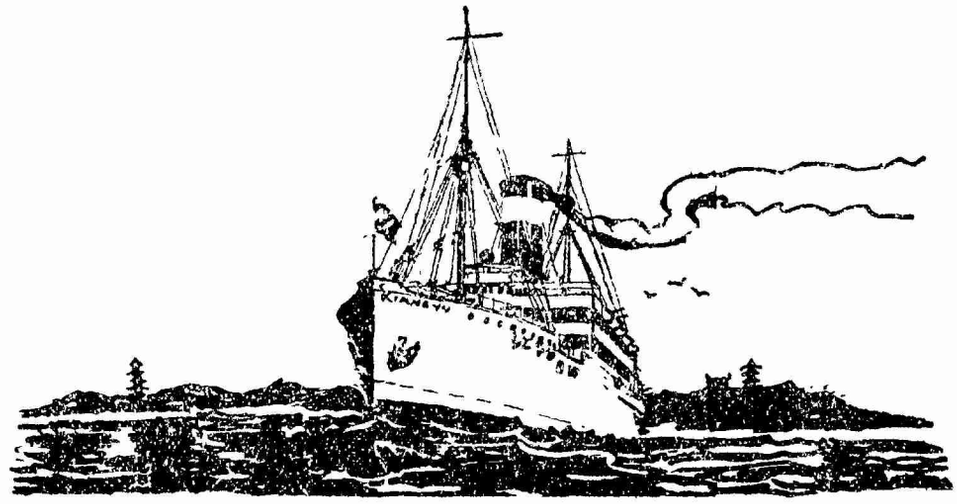
Administrator General's Report

The twentieth quarterly report of the Administrator General of the finances of Persia, covering the period from June 23 to Sept. 23, has lately come to hand. The directory of administrative chiefs illustrates the elimination of American control. In place of Dr. Millspaugh, who was for five years Administrator General of Finance, are the name of six Persians. Then comes Mr. McCaskey, American Treasurer General; next M. Molitor, Belgian Administrator General of Customs, and then the names of eight other American officials. The report is signed by Mehdi Gholi Hedoyat, the Minister of Finance, acting as Administrator General. It is also announced that Mr. McCaskey's contract terminated at the close of September, "and he departed to his own country." Major Davis, appointed in his place, was succeeded recently by the Swiss Dr. Walder.

The report further shows a decline of internal income during this and the previous quarter of about $1,250,000. It was hoped that the next six months would show a recovery, but even if this should not have taken place, an increase was noted in royalties from the Anglo-Persian Oil Company of about $4,400,000. The report also contains a summary of the results of experiments at the Agricultural School and the Model Farm, which have determined, as far as the experiments went, the varieties of wheat, cotton seed, tobacco, beets, Indian corn and other products which are best adapted to the Persian climate. The crops of 1927 were reported much inferior to those of 1926, though superior to the semi-famine conditions of 1925.

It is possible that the decline in internal income was due to the relaxation of the firm control of Dr. Millspaugh. The

(Continued on page 188 foot column 1)



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„ Kaho

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S.S. Kwang-Tah
„ Kwang-Lee
„ Hsin-Wah
„ Yu-Shun
„ Hsin-Kong

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Japan's Calculations Were Upset!

(By D. C. Bess, Peking Correspondent for the United Press. Reprinted from the Shanghai Times).

The Tokyo Government staked its China policy on the belief that the Nationalists would be broken up by internal disputes, gambled on this belief, and stands a good chance of losing, in the opinion of many competent observers here.

Diplomats of other countries admit that the gamble was a good one, and if they had been disposed to bet, they would have supported the Japanese policy. But the Nationalists have held together more firmly than most foreigners here had believed possible, and it is now regarded as entirely possible that Nanking will control most of China for some time to come.

If the Nationalist leaders do subordinate their quarrels, and hang together for a period of years, it appears likely that Japan will suffer serious consequences. The Tokyo Government has done many things to antagonize the Nationalists, and there is no doubt whatever that Chinese of all factions are suspicious of Japan and indisposed to "make up and be friends," whatever Tokyo may offer in this direction.

Chance For Friction

Several Chinese with whom this correspondent has talked are convinced that Japan will seek to create friction among Chinese factions, in the effort to break up the Nationalists. This is merely a Chinese opinion, and has no basis in facts which have yet come to light. But the temptation to do something of the sort naturally would be great for Japan. Chinese war-lords with a few exceptions are not regarded as patriotic, and will sell their services to the highest bidder regardless of China's welfare. If Japan is disposed to buy some war-lord or other, many observers here think they will have no trouble in doing so.

Many countries have been accused in the past of giving financial support to some Chinese war-lord for purposes of their own, and have been severely criticized by foreign writers for so doing. Strangely enough, there has been little criticism of the Chinese leaders who thus sell out their country to foreigners, even in China. The Nationalists are seeking to arouse such public resentment against traitors that Chinese war-lords will not dare to sell out to foreigners.

Japan's policy in urging Mukden leaders not to co-operate with Nanking has been deeply resented in China, and appears to have been unsuccessful. While "Young Chang," son of Chang Tso-lin, has postponed making a formal treaty with Nanking, he has been working with the Nationalists despite Japan's advice.

Factions Divided

During the recent campaign to clear out former Northern troops from the area between Tientsin and Manchuria, the Nationalist generals have exchanged frequent telegrams with Mukden generals who have assisted them to disarm these soldiers.

The Japanese Legation spokesmen here have not hesitated to admit that Tokyo is worried by the present situation. The boycott against Japanese goods has not been so severe as was expected, but the deep seated resentment against Japan is considered dangerous. The Chinese factions are still greatly divided, but so long as they hold together, Japan's position is uncomfortable.

Peking, September 20.

(Continued from page 186)

employment of a Swiss Administrator General, no doubt with only the restricted powers under which Dr. Millspaugh had declined to continue in office, shows the intention to maintain the American system in operation, with a distribution of the responsibility among citizens of different nations. It is not pleasing to American pride to have the influence of our compatriots in Persia diminished. One suggestion as to the cause for this is the rather extreme reluctance of abundant active American capital to venture into Persia. A generous concession was proposed by the Persians for the exploitation of petroleum resources in the northern provinces of Persia provided a substantial loan be granted them. This came to naught. When Dr. Millspaugh visited America in 1925 it was hoped in Persia that he would lay the foundation for the borrowing of money, which might be used for the building of railways and the development of industrial enterprises. It is probably much better for Persia that she was forced back upon her own resources and is finding the money for her new railway by a tax upon sugar and tea. At the same time it was not pleasing to Persian pride that the wealthy Americans declined to lend their country money. They have considerable natural resources and their present indebtedness is comparatively light.

On a Basis of Equality

Quite apart from such financial expectation, it was inevitable that the American control would either be modified or extinguished. At the time of its initiation the political condition of the country was very uncertain. The rise to power of Riza Shah has changed the situation completely. He needed for a time the help which the Americans gave, not only in the general stabilization of the Government of the country, but in the specific monthly sum which he used for the building up of a strong and devoted army. From the beginning he declined to subject to the keen inspection of American eyes the accounts of his own department. The Americans are, in fact, said by Vincent Sheean to have become established originally only by a sort of contract with the great man under which they would furnish him with an agreed appropriation and not ask him to submit accounts. After five years Riza Shah, feeling able to stand alone, was willing that the Americans should continue only with reduced and subordinate authority—a step that was distinctly popular. In the early years of administration by the Americans their attempts at honest finance met with much resistance, since they disturbed the incomes of many persons, who fattened on the public funds in ways accounted dishonest in the West. The objections of such persons diminished gradually, but in that proportion the pride of patriotic Persians increased and developed an unwillingness to admit that foreigners could manage Persian affairs better than the Persians themselves. It is of course right that the foreign control should disappear completely. The only question that arises is, whether the proper time has arrived. The Persians themselves cannot deny that their public finances were a few years ago in a disgraceful and almost unworkable state of corruption. Neither can they affirm that the system has as yet been cleaned out from top to bottom. It is of course futile for Westerners to pretend that their own public finances are perfectly clean, nor can they logically expect that the finances of smaller countries will come to be better administered than their own. At the same time the Persian financial system ought to be placed at least on a par with the better Western systems before the foreign influence disappears. The Persians themselves should be the first to wish this, since the restoration of their country to an honorable place in the world cannot take place without decent administration.

Howard E. Cole, Socony Vice-President, Visits Shanghai

Howard E. Cole, First Vice-President of the Standard Oil Company of New York, accompanied by Mrs. Cole, arrived in Shanghai last week for an extended visit and inspection trip in China. Prior to coming to China Mr. and Mrs. Cole spent considerable time in Japan where they participated in the dedication of the new Standard Oil building in Yokohama which took place last July. The new building which replaces one which was destroyed by the earthquake in 1923 occupies a space of some 36,000 square feet and is located on the same lot which was occupied by the previous building. The new structure is constructed of steel reinforced monolithic concrete and is considered to be of earthquake and fire-resisting qualities. The building will house the offices of the organization of the Standard Oil Company in Japan. The reception which was held at the time of the dedication of the new building was attended by many prominent Japanese officials.

Mr. Howard E. Cole

Mr. and Mrs. Cole are planning to go up the Upper Yangtsze to Chungking while on their present trip. They are living at the Majestic Hotel.

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Shantung Pawn of Politics;---Land of Famine

BY H. D. WARE

While the elimination of the Shantung army under Chang Tsung-chang which brought about the final Nationalist victory over the Northern feudalists and unexpectedly resulted in another chapter of Sino-Japanese misunderstandings has been given the full amount of publicity it deserves, the subsequent occupation of Shantung Province by the Nationalist military forces and its effect upon the population have been accorded scant attention, not as much by far as its importance as a focal point of foreign and Chinese interest merits, especially in view of the fact of Shantung's offering the civil side of the Nationalist government an opportunity to demonstrate by rapid action its ability, or otherwise, to cope with serious social and economic problems in an efficient manner and prove its claim to be a government for and in the interests of the people. Whether the Nationalist government, as represented in Shantung by military and civil officialdom is representative of the authority at Nanking or not would be better left to the Nanking regime to say. Whether or not it is functioning for and in the best interests of the Shantung population is a matter of fact-finding upon which this article is based, and while it is being written from a viewpoint of impartial reporting it has to be admitted that the facts are not entirely complimentary to the successors of the ex-brigand Tuchun who so shortly ago decamped from his stolen bailiwick.

To get at facts about Shantung one has to get away from the capital at Tsinan. In the first place, Tsinan is in Japanese hands with the result that communications with the rest of the province, while free enough, are not as easy as they might be, and Chinese who will talk readily enough outside of the city are prone to play the safe side when under the influence of the Japanese military. The military zone, includiug Tsinan and Tsingtao, and twenty li to the north and south of the Kiao-Tsi Railway is safe enough for all purposes. Taxes are only those sanctioned by treaty and Chinese custom. There is no Japanese barrier to trade, save the fact of their presence in the country, the Kiao-Tsi Railway is being well run by the Chinese railway staff, under an indirect form of Japanese guidance, and the residents of the entire protected area are free to state that they are safer than they have been for a good many years. Small local business in the two cities and along the railway is good. It is not an exaggeration to state that as far as local trade goes, the merchants are doing a normal business. But regarding trade with the rest of the province there is a different story to be told.

The Break in the Bridge

Communications with the northern end of the province are cut at the Yellow River Bridge and to the south they are cut at a place called Tsangchow, a few miles out of Tsinan where a railway culvert has been broken. Passenger traffic north and south is effected by circling these gaps in motor cars, which, by the way, are reaping a golden, or silver harvest as the result of other people's misfortunes. Cargo, which should move into Tsinan from north and south points for transhipment over the railway to Tsingtao for eventual export is not moving in any quantities, save along the railway zone between Tsinan and Tsingtao. It is probable that the tobacco crop from the region near Tsingtao and Kiaochao will be moved without great difficulty. The bean crop and the peanuts, two of the province's staple sources of income are in a bad position. The crop of peanuts is largely harvested in the southwestern corner of the province and it is a matter of grave doubt whether or not, in spite of a bumper and a crying need of the farmers to dispose of it, it will be possible to ship it at a profit to tidewater, for as things now stand it will either have to be transferred from Kushan, about twenty li south of Tsinan, into Tsinan by wheelbarrow, or else shipped south to Pukow for Shanghai transhipment, an awkward and expensive route in any case, with the additional adverse factor of a shortage of freight cars to be considered.

Natural causes have aggravated a bad economic condition in Shantung caused by recurring civil wars over a period of years in the form of famine conditions resulting from drought, locusts and bandits, it being difficult as a matter of fact to say which of the three evils is the worst. The famine areas are spotty, commencing in the south and eastern part of the province, and then jumping to the north, where both on the east and west sides of the Tientsin-Pukow Railway, and extending well over into Chihli Province, they are bad. The reports of John Earl Baker, the representative of the China Famine Relief Committee are no exaggerations; it is safe to say that several millions of people are in bad shape at the moment and that a big percentage will starve to death or die of malnutrition and exposure before spring unless something is done to help them over the worst of the winter, say from December 1st on to May when they can get the first of their field crops out of the ground. As a pleasant relief from the usual heart-rending stories concerning the sale of young women from the famine areas comes the report of a Shansi-government-backed association which is engaged in purchasing women of marriagable age in the districts along the Chihli-Shantung border, in some cases paying rather good prices for the more attractive ones. It seems that this association is composed of a group of people from the former Shansi famine area, where, as is usual, during the worst of the shortage of food, so many of the young girls were peddled to all comers that there are now not enough women to furnish the eligible youth of the district with spouses. Therefore the landowners have clubbed together and are actually buying so many women, on the hoof so to speak, to be shipped into Shansi and married to men desiring wives enough to pay a reasonable price for them. Not an ideal way for a woman to get married no doubt, but at that better than being sold into prostitution at Tientsin. The market price of a healthy young virgin is reported to range all the way from twenty to forty dollars.

Excessive Taxation

Taxes have for years been notorious for their size and diversity in Shantung. Under the Nationalist government which has set up its Shantung agency at Taian, fifty odd miles to the south of Tsinan, they cannot be said to have been reduced. In fact, it is not an unfair estimate to state that they are at least thirty percent higher than they were under the old rule and new tax organs appear daily throughout the province. All goods in transit, regardless of whether they are Chinese or foreign owned, pay exactly what the traffic will bear and in many cases the traffic cannot bear the tax burden and ceases to exist.

Courts of law with few exceptions have either gone out of existence or are entirely impotent save in the railway zone where some attempts have been and are being made to reorganize the judiciary to take care of the more pressing cases on overcrowded dockets. Magistrates are appointed and either transferred or dismissed with such astonishing rapidity that it is well nigh impossible for the Chinese themselves to keep track of them. Although, with the exception of a few thousand half-hearted northern remnants about Chefoo who might have been disarmed some months ago had it not been for the political dickering going on behind the scenes among the Nationalist forces, and a few thousand more bandits, part of whom are former northern troops who could also be rounded up and put to work by a couple of well found regiments, there are no hostile armed forces in the province, the whole countryside is an armed camp. Troops are billeted in every village and town outside of the Japanese occupied zone and are a constant drain upon an already impoverished countryside. With the exception of somewhere between twenty and thirty thousand of Chiang Kai-shek's 4th and 10th Armies who occupy Taian, the capital, and the country to the north of the twenty li zone laid down by the Japanese, the troops in Shantung today are all under the command, nominal at least, of Feng Yu-hsiang. In justice to them it must be said that they have on the whole been fairly well behaved, as Chinese troops go. The garrison in and about Taian itself is another matter. These men are reported to be composed in a great part of former Cheng Chien troops, the Hunanese braves who committed most of the depredations at Nanking two years ago, and who, while being officially "disbanded" were actually incorporated into Chiang Kai-shek's forces; a bad lot who have been living up to their reputations in Shantung and who have apparently been left more or less to themselves by their former commander and who may very likely be taken over by Feng Yu-hsiang if it suits his obscure ends to have a force of that type in his command.

A Tale of Non-achievment

Thus, the Nationalist civil and military authorities have, and have had for several months a problem of rehabilitation which offers an opportunity for the exercise of the highest form of administrative ability in the interests of a war stricken people whose one desire is to be let alone in the majority of instances to go about their occupations and rebuild their fortunes as best they can, and in the case of the bandit and famine stricken areas to be helped to a point of self sufficiency. What the civil and military authorities have done for Shantung is rather a tale of what they have not done, a record of non-achievement which outstrips all records set up by the former warlords who preceded them.

At Taian, the civil authorities frankly admit that they have no authority and no funds with which to work. A few

ridiculously small remittances have been received from Nanking for famine relief doles, so small as to be useless in the aggregate of suffering in the province. The judiciary exists largely on paper and impotently elsewhere. The revenues of the province are collected under the military and are diverted into Feng's coffers. It is reported on good authority, in fact by one of the foreign trained civil appointees at Taian, that the only money which is coming into the capital for non-military purposes is received by the several propaganda institutions from the main bureau at Nanking and that it is all spent for that work. The benefits of the San Min principles may be great but they are hardly apt to make a lasting impression upon a Shantung farmer who has had to sell his children to keep them from starvation and who is now wondering when his turn will come. Of course, the stock excuse of all concerned in this spectacle of non-functioning governmental agencies is that it is all the fault of the Japanese; that if they will get out of Tsinan and Tsingtao and turn over the Kiao-Tsi Railway, all will be well with Shantung. This argument has weight from the point of view of international relations and there is no doubt but that the fact of a Japanese spearhead being located at Tsinan does impair the efficiency with which the province might be governed, but to blame the Japanese for the inability of the Lincheng magistrate to function in his own police court which is in the hands of a gang of Feng's troops is carrying Japanophobia too far. The plain unvarnished truth is that outside the Japanese controlled zone there is no government save that of military whim, expediency, or whatever term one cares to dignify it with. Where, on the Kiao-Tsi Railway under Japanese protection, normal freight rates and service are in effect and trains run on schedule with the railway staff being paid in full and taking an interest in their job once more, on the Tientsin-Pukow line, both north and south of Tsinan, the staff is underpaid or not paid at all and trains run when they can be gotten to run. It costs about four hundred dollars to load a twenty ton car at Taian for Pukow, this four hundred dollars being surtaxes and squeeze that has to be paid, after which one has the usual freight and a surtax on top of that to part with. There is little reason to believe that better conditions will prevail on the Kiao-Tsi line if and when it falls into Nationalist hands.

Civil Officials Disillusioned

When Chiang Kai-shek invaded Shantung he brought with him a staff of civil officials, part of them American returned students who were given to understand that they were coming into the province to set up civil authority and function as a government in the interests of the Shantung people. These men were under the impression that civil authority was to be established the moment the Northern forces were cleared out of the province. After the Tsinan incident compelled the removal of the government to Taian disillusionment was not slow. It is difficult to get them to talk but it is generally known that they were told to sit still and do nothing, that the military was in charge and would remain in charge indefinitely. In other words, a civil government in shadow only exists in Shantung. This shadow government is supposed to get its authority from Nanking and the measure of Nanking's power over Shantung is exactly the extent of civil authority in the province; the only Nanking agency which is allowed to function in Shantung is the propaganda department which is still fomenting various "down with" movements among the school children and idiers, it being in apparent accord with the ideas of the military to keep its connections with the branch of the Kuomintang which is radical and useful to it but to cut away from the actual government at Nanking as has been done, without advertising but none the less effectively. Given half a chance the civil side of the Taian government would probably do well. It has sent men into the locust infested areas where, in spite of the fact that no means save human hands were available to fight the pest, the farmers have been organized and stung out of the lethargy into an attempt at battling the swarms which were devouring their crops. Plans have been drawn up for road repairs which are badly needed and would provide work for tens of thousands of famine stricken farmers. Constructive ideas for the eradication of the causes of famine, including bandits, have been brought forward by these well trained if inexperienced civil administrators. But government requires funds in order to function and while the military smilingly acquiesces in schemes for the betterment of the province it also appropriates every cent of revenue for the coffers of the Kuominchun. Several of the Nanking appointees are reported to be on their way out of the province and several more will likely throw up the sponge before long. So long as it suits Feng's whim to have a civil government at Taian he will have one; but he will not have the staff of well trained, earnest men that Chiang Kai-shek brought in from Nanking. If Feng's widely advertised efforts toward the alleviation of the ills of the common people in Honan are on a par with what he has done in Shantung since he decided to become master of the province it gives rise to wonder as to what kind of an asbestos conscience his publicity man takes to bed at night.

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Nationalist Control in Shantung Nominal

The impression has been broadcast all over the world that the Nationalist government at Nanking is in actual control of all China. It is unnecessary to go beyond the confines of Shantung to be convinced that in at least one Chinese province it has no authority whatsoever and that the government which is actually in control of Shantung is like all its predecessors, purely military and run for the benefit of one man who pays as little attention to the needs of his people as did the Northern feudalists. The idea of Nationalism has taken hold of Shantung as it has all over China. Given a fair chance to set up an efficient civil government and eliminate the military there is little doubt but that the Nanking authorities would have the support of the population, but as things stand it is an open secret that the Shantung people have no confidence at all in the Taian government and certain business leaders in the province whose interests all incline them toward the side of a united China have been outspoken in private conversations in their disgust with the way Nationalism in Shantung has been perverted to selfish ends. Forecasts are interesting things to dally with but in China they are too apt to fall wide of the mark to be safe playthings. Facts are all that can be printed in safety although, as in this case, they do not make pretty reading. The outstanding facts in Shantung are that the Nanking government is not functioning over the entire provincial area, that the condition of the people is no better than it was under the Northern militarists, that nothing is being done to rehabilitate them and that they are being exploited as much as and more than they were under their former rulers.

Tsingtao, September 28, 1928.

Foreign "Y" Asks House Members To Tip Servants

A considerable stir among the members of the Foreign Y. M. C. A. in Shanghai was caused last week when the management sent a letter to all the residents of the building requesting them to "tip" the servants, the reason given being that several of the servants had threatened to resign if the tips were not immediately forthcoming. The letter suggested that each guest in the building should hand the room-boy a "minimum of $3 a month and that a sum not less than $2 a month be given to the head-waiter."

It seems that the management originally tried out the scheme of placing "tip-boxes" on each floor for the convenience of guests who wished to hand gratuities to the servants, but an accounting of the money placed in the boxes during September amounted to only $112 94 for 134 guests and in August to $121. 24 for 150 guests. The servants apparently considered this insufficient for the letter stated that unless more money was forthcoming the "Y. M. C. A. is in danger of losing a number of the best room-boys." The letter stated that boarding houses in Shanghai are accustomed to adding from $4 to $6 to the monthly bills of guests for the purpose of covering tips to the servants. It was stated that the Y. M. C. A. is paying salaries to servants equal to that of the best hotels and clubs in the city, but unless "more and larger" tips are forthcoming, it may be necessary to assess a percentage of the monthly bill for gratuities for servants.

Says British Conducting "Secret" Tariff Parleys

The *Hochi* (Tokyo), according to a translation in the *Japan Chronicle*, predicts that a new Anglo-Chinese tariff will shortly be signed. The Tokyo journal says that in compliance with the wishes of the Nationalist Government, the British Government has been conducting negotiations secretly for the conclusion of a promised tariff treaty, and both sides have practically come to terms. The new Anglo-Chinese tariff treaty, which is expected to be signed and made public shortly, provides for the conventional rates being charged on articles in which Britain is interested, out of those for which such rates were agreed upon at the Customs Conference, and the principle of reciprocity is adopted in it. Although it goes a step beyond the new Sino-American Customs Treaty, it cannot be put into force immediately, as it, like the Sino-American Treaty, carries a most-favored nation clause. So long as the question of the Sino-Japanese Treaty of Commerce and that of the tariff agreement between Japan and China, remain unsettled, says the *Hochi*, it will be as good as dead letter. This fact has increased the responsibility of Japan on the other hand.

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2,000 Chinese Postal Employees in Shanghai Go on Strike

Two thousand employees of the Chinese postal service in Shanghai, principally postmen, messengers, and the general sorting and delivery staff, went on strike on the morning of October 3, demanding increased wages and other conditions which the Shanghai Head Post Office refused to concede. The result of the strike has been to seriously cripple mail facilities. Ths strike has been entirely unaccompanied by either disorder or violence. The Municipal Police turned out extra squads to cope with eventualities but their services proved unnecessary, except that striking postmen were divested of their uniforms by the Police, the "Red Maria" being used as a dressing room for the purpose. The Municipal Police confined their activities to places outside the building as the Post Office is under the direct control of the Nationalist Government. Inside, special Chinese police from Nantao were on guard. Although street deliveries of letters are not being made, a skeleton staff of foreigners and non-striking Chinese has made an attempt to sort some of the mail, so that box-holders and persons who call at the post-office for their mail may be accommodated.

The list of demands made by the postal employees is as follows:

1.—That the wage system be revised throughout the country according to a uniform increase of 33.33 per cent. in each successive rank, and Shanghai employees to be given an allowance, in addition.

2.—That the Postal regulations be revised within a year and that representatives of the employees' union be admitted to the committee appointed to carry out the revision.

3.—That the Postal authorities permit the organization of a National Labor Union of all Postal employees, and allow $10,000 for its inauguration, and a subsidy of $500 monthly.

4.—That the Postal authorities issue $2,000 to the Shanghai Postal employees' union and increase the monthly subsidy to $200.

5.—That each employee be dismissed only with the consent of his union.

6.—The members of the standing committee of the Postal union be exempted from post office duties and be given the usual pay and promotion.

7.—That the Postal authorities issue $2,000 for the opening of a school for employees children, and $200 per month for its maintenance.

8.—That an adequate solatium be given to the family of a deceased employee.

9.—That no limit be placed on sick leave, and medical expenses be borne by the Post Office authorities.

10.—That a New Year bonus of one month's pay be issued to those having less than three years' service and a bonus of two months' pay be issued to those having more than three years' service.

11.—That all employees be given holidays on Sundays and other general holidays and that extra pay be issued for work on these days.

12.—That all emp'oyees be given equal treatment in respect to leave.

13—That the present system of class promotion be abolished and that class promotion be given once a year.

14.—That an allowance of $3 per month be issued to court-yard coolies.

15.—That the sum of $30 deducted from the death gratuity of a deceased employee named Shun Moh-tsung be refunded and that an apology be tendered by the person responsible for the deduction.

16.—That the deducted wages of employees engaged in draft desks be refunded and the person responsible for such deduction be reprimanded.

The strike committee, appointed by the strikers has issued a special appeal to strikers, exhorting them to observe the following rules in their actions:

1.—The strikers are to obey the orders of the strike committee.

2.—No employee is to resume work unless an order has been first received from the strike committee.

3.—No disturbance or damage to the property of the Post Office is to be caused.

4.—Strikers must not do anything to injure the strike movement.

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Gen. Chang Hua-fu

張華輔字慰生

As Chief of Staff of the 4th Group Army of the Nationalist Revolutionary Forces and Chief of the Military Bureau of the Wuhan Political Council, General Chang Hua-fu holds one of the most important positions in Hankow. General Chang is a native of Yincheng district, Hupeh where he was born in 1887. He completed his primary and middle school education in his native province and then went to Japan to study in the Military Officers College of Japan and the Military University where he graduated.

After returning to China, General Chang served in the army and held various positions as military trainer, advisor and then commander. When the Revolutionary forces started from Canton he served the Nationalist Army as brigade commander.

General Chang rose into prominence when the anti-Tang Sen-chi Forces reached Wuhan. He was one of the most important figures in the Hupeh and Hunan military developments. When the 4th Group Army was organized in Hankow in May 1928 under General Li Tsung-jen, General Chang became Chief of Staff thereof. Later he was appointed Chief of the Military Bureau of the Wuhan Political Council. He is holding both of these posts.

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Mr. Shao Li-tse

邵力子

Mr. Shao Li-tse was born in Shaohing, Chekiang province, in 1882. After his graduation from Fuh Tan University with the degree of Bachelor of Arts, he took up journalism and in 1912 became the editor-in-chief of *Min-Li-Pao*, a Chinese revolutionary newspaper in Shanghai. In 1915 when the Kuomintang was protesting against the would-be Emperor Yuan Shih-kai, he organized the *Republican Daily News* in Shanghai, of which he was the editor and concurrently publisher for ten years. In 1925 he left for Canton and was appointed chief of the Political Bureau of the Whangpao Cadets, later the Chief Secretary of the Nationalist Army Headquarters. Recently he became a member of Central Supervision Committee of the Nationalist Government.

Claims Pope's Note to China Influenced the Powers

(From the New York Times, Sept. 1)

Rome.—The *Osservatore Romano*, the official Vatican organ, prints a long article pointing out the excellent impression created throughout China by the Pope's recent message to the Chinese people. The papal document, says the *Osservatore*, was in part also a "paternal hint" to the other powers that China must be treated with "benevolent attention," which hint is already showing its first effects.

The paper laments the fact, however, that despite the Pope's attitude, the Catholics are not represented in the present Nationalist Cabinet, while four of the nine Ministers are Protestants.

"If only the Catholics were equally represented, then at last one could hope for legislation favorable to Catholicism," the article exclaims.

The *Osservatore* says that the Papal message was received with "profound emotion by the churches devoted to children; with intense joy by all who work for the regeneration of the Chinese nation and with respectful sympathy by those inimical or indifferent to the Catholic Church."

The legitimate satisfaction created throughout China is a new proof of the "primary goodness and truth of Rome," but, adds the *Osservatore*, "the Pope's august word was also a paternal hint to those foreign nations which have not yet understood that China must be treated with benevolent attention, if it is to achieve its legitimate aspirations. America has in fact already manifested its willingness in that regard by the new treaty, while England and almost all of the other nations have promised, with certain reservations, to revise the old treaties."

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Men and Events

Foster H. Kries of the Shanghai U. S. Consular staff is spending a holiday in the Philippine Islands.

Mr. and Mrs. J. Scott Emens have returned to Shanghai from an extended holiday in the United States.

Leon Friedman, general manager of China Motors, Inc., has returned to Shanghai from a vacation at Tsingtao.

Leon Warde, of the U. S. Consulate General, made a round trip to North China ports this and last week by the s. s. *Patroclus*.

The death occurred recently at Tientsin of Bradford P. Hovey of the Standard Oil Co. Mr. Hovey had been in China fifteen years.

Miss Elizabeth Green who formerly lived in Peking, has been appointed editor of publications for the Institute of Pacific Relations, Honolulu.

F. B. Hillhouse of the National Aniline and Chemical Company of Shanghai, has been transferred to Kobe, Japan. He departed for his new post this week.

Marshal Feng Yu-hsiang, who has been on an inspection trip to Sianfu, Shensi Province, is expected back in Kaifeng, the capital of Honan Province shortly.

Mr. and Mrs. S. J. Mills of the American Presbyterian Mission (North) have returned to Nanking after several months spent at their home in Haverford, Pa.

C. J. Spiker, American Consul at Nanking, has returned to Shanghai from a trip to Nanking where he inspected the repairs which are being made to the American consular building in that city.

William Prohme, formerly connected with newspapers in the Far East and general manager of the Nationalist News Agency in China, is now connected with the *Honolulu Advertiser*, Honolulu.

Gen. Chang Hsueh-liang, head of the Mukden Government, has announced his intention of visiting Tientsin shortly for the purpose of conferring with Gen. Bei Tsung-chi of the Nationalist forces in that area.

The British steamer *Anking* on a voyage from Singapore to Hongkong was pirated in the Gulf of Tonking September 28. The master of the vessel was injured and the chief officer and the chief engineer were killed.

The Nationalist Government employed a force of 10,000 men in taking a complete census of the population of Nanking, the Nationalist Capital on October 1. The results of the census have not yet been tabulated.

Navigators on the Yangtsze river report that the water is lower for this season than it has been known to be for ten years. There was an abnormal high tide during the last typhoon, but after that the water receded rapidly, and is now so low as to cause difficulties for steamers of heavy draught.

One and three quarter million squirrel skins were shipped from Harbin to the United States during the year ending July 1 last. Their average value was one gold dollar each. Nearly all of them were forwarded from Harbin through the Chinese post office and almost all without exception were forwarded to New York City.

Hsueh Tu-pei, Minister of the Interior, has tendered his resignation from the Government and asks to be permitted to take a trip abroad. In his resignation he said he would feel grateful if the Government would advance his expenses for his trip abroad, but in case the Government was unable to do so, "I shall manage to go on my own account."

In last week's issue of *The Review* there appeared an editorial entitled, "The Last Chapter in the Barga Incident," which contained a translation from a newspaper published in the Russian language by Chinese interests in Harbin and known as the *Kung Pao*. The date the article appeared in the *Kung Pao* August 24 instead of August 2 as it was incorrectly printed in *The Review*.

Miss Dorothy Thompson, British nurse, aged 36, employed for the past six years at the Victoria Nursing Home, Shanghai, was found shot dead in Keswick road shortly after dark October 3 and nearby her lying on the ground in a seriously wounded condition, with shot wounds in the back and right side, a man who it was later learned was named Dudley Law, connected with a Shanghai piecegoods firm. He is lying unconscious in hospital.

Miss Louise Wilson, formerly a member of the staff of the *North-China Daily News*, has gone to Tsingtao for a vacation following which she will join the staff of the *Bulletin* at Manila. Miss Wilson, who is a graduate of the School of Journalism of the University of Missouri arrived in the Orient about five years ago and first joined the staff of the *China Press*. She is now collecting material for magazine articles to be published in the United States.

Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:

Tientsin, Sept. 26.—Pei Tsung-hsi and Yang Yu-ting after conferring at Anshan proceed to Mukden and confer with Chang Hsueh-liang.

Peiping, Sept. 26.—The fifteen Soviet Russians who had been quartered in the Soviet embassy since their release by the Chinese authorities leave for Vladivostock by way of Kobe.

Peiping, Sept. 25.—Gen. Yen Hsi-shan in interview states that if the Antiquities Reservation Society so requests he would detain the archeological material brought out of Mongolia by the Andrews party.

Tientsin, Sept. 24.—Approximately 20,000 Fengtien troops being stationed at Changli, while the Nationalist troops under General Pei Tsung-hsi are still at a line along the Lwanho river with a part of them at an advanced post at Luantung, or to the east of the river, and the distance between the Fengtienites and the advance posts of Pei Tsung-hsi's army is so close that it is feared that a clash by misunderstanding may happen at any moment, if they are left as they are. Therefore, it is reported that in order to avoid any such unfortunate event, the Fengtien authorities have decided to withdraw all the outposts of the army up to the line of Changli, prior to their negotiations concluded with Pei Tsung-hsi.

Tientsin, Sept. 26.—Nationalist forces in ambush between Luanchow and Tongshan open fire on trains with defeated Chihli-Shantung troops and kill 3,000 of the latter.

Peiping, Sept. 17.—As the Ministry of Finance's scheme regarding salt revenue only appropriates ten million dollars annually, whereas the Nationalist government will get an addition of 70 to 90 million, thus obliterating the existence of the surplus salt gabelle, the Ministers of Japan, Britain and France, confer as to their future attitude.

Tokyo, Sept. 28.—Japanese business organizations take steps to have Japanese government oppose the proposed new Nationalist tariff schedule, which it is reported is to be divided into 110 classes, and not 7 as originally contemplated.

Peiping, Sept. 29.—First Secretary of Japanese legation after a trip to Shantung states that Shantung railway service is perfect and that damage to Yellow River bridge is greater than was at first thought.

Tsinan, Sept. 30.—Upon the receipt of news that 5,000 Nationalist troops had appeared off Kotien on Shantung railway and threatened to cut the railway, Japanese contingent is dispatched to the spot to guard the railway.

Tokyo, October 1.—Minseito mass meeting at Nagata attacks Tanaka policy and aims at improvement of diplomacy in accordance with the change of the times.

Peiping, October 1.—Cuba, having recognized the Nationalist Government, is reported to have decided to remove her legation from Peiping to Nanking in the near future.

Tokyo, October 1.—Minister of War Shirakara, after listening to reports from Shantung, unofficially decides that the third reduction in Japanese contingents at Tsinan and along Shantung railway be carried out middle of this month after the completion of the grand manoeuvers.

Tokyo, October 1.—Pan-Pacific Rotary conference opens with more than 500 delegates present, representing U. S. A., China, Mexico, Philippines, and Hawaii.

Peiping, Oct. 2.—Japanese Minister Yoshizawa in interview states that Sino-Japanese negotiations at present are still in the shape of "green persimmon."

Peiping, Oct. 2.—It is understood that Pei Tsung-hsi has already obtained permission from Chiang Kai-shek for withdrawal to Hankow of 4th group army and will return to Hankow in near future, after entrusting the Shansi troops with the work of maintaining peace and order inside the Great Wall.

Tokyo, Oct. 2.—Major General Matsui, who had been a military advisor to the late Chang Tso-ling returns to Tokyo and is assigned to Department of Munitions.

Tokyo, Oct. 3.—Gen. Chang Chun, Director General of the Nationalist arsenal, who is here for the grand manoeuvers called on Mr. Arita, Director of the Bureau of Asiatic Affairs, and had a long conference with him.

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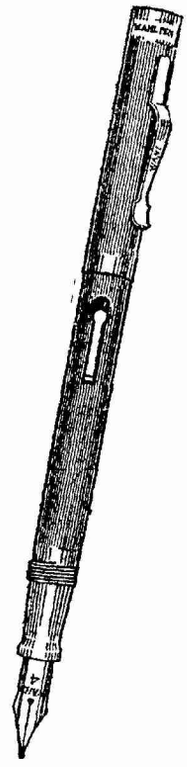

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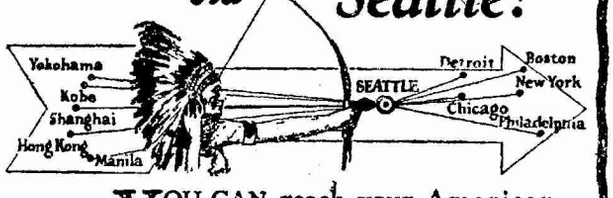

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46-246

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuominchun) and Toho (Japanese news agencies, and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, September 26.—Gen. Pei Tsung-hsi arranging to have Nationalist troops take control of all districts inside Great Wall.—Yang Yu-ting and Pei Tsung-hsi meet at Tangshan to discuss rehabilitation measures for Northeastern Hopei—Overseas contributions to short-term Rehabilitation loan to date amount to over three million dollars.—Ministry of Communications at Nanking receives appeal from Shanghai Press Association for better press and newspaper delivery facilities.-Steps taken in southern Kiangsu for suppression of Communists.—At meeting of Government Council at Nanking decision is made to hold suitable reception for delegates from League of Nations to arrive shortly in China.—Sianfu reports that various generals and political leaders will shortly proceed to Europe and America to study industrial conditions.—Negotiations between Italy and China for settlement of Nanking incident proceeding—Nanking denies rumors that Sino-German commercial treaty may not be ratified by Nationalists.—Tsao Ju-lin, Ting Shih-yuan and Yao Chen to be succeeded as members of the board of trustees of the Banque Franco-Chinoise pour le Commerce et l'Industrie by Chien Hsing-chih, Wei Tao-ming and Chi Chih.—Chinese Red Cross to be transferred from Peiping to Nanking.—Ministry of Agriculture opens analytical and testing laboratory at Nanking.—March 12 set for official burial of Dr. Sun Yat-sen. Ministry of Finance orders all salt-producing districts to pay quota towards service of salt loans.

Thursday, September 27.—We Wah-ching and Hsiung Ko-yih assume office as heads of National Trademark Bureau at Nanking. Wu-Han C. P. C. decides to take drastic measures against corrupt civil officials.—Nanking decides that Navy Bureau is to be divided into separate sections for naval strategy, naval affairs, naval administration and general affairs.—Shanghai merchants ask for increased duty on artificial silk—Three commanders of former Chihli army are brought to Tientsin from Lwanchow under escort.—Cuba notifies China that it recognizes Nationalist government.—Nanking Municipal government decides to reserve district around Ming Tombs for accommodation of five new Councils.—A committee of 12 is appointed at meeting of Central Political Council to consider and devise proposed draft law governing the reorganization of the Nationalist government.—New regulations are published at Nanking regarding punishment of Communists.—Celebrations at Nanking to commemorate founding of republic will be held for three days, October 9, 10 and 11.

Friday, September 28.—Feng Yu-hsiang in an order prohibiting further recruiting threatens death to any officer caught recruiting new soldiers.—Hupeh Reconstruction department appropriates $60,000 for establishing a sericultural school.—Shantung provincial government installs new officers at Taian.—Admiral Yang and General Chang at Amoy decide to reduce army and naval land contingent forces.—Shanghai Garrison Commander orders immediate registration of all military officers in his territory—Gen. Liu Chen-hua confers at Peiping with Gen. Yen regarding military rehabilitation measures.—Roads encircling Changsha to be rebuilt by disbanded soldiers.—Nanking proposes to demolish western section of city wall so as to facilitate internal transportation.—Shanghai merchants present petition at Nanking on proposed tariff schedule (see editorial article in this issue of *The Review.*).—Tang Yu-lin, Fengtien tupan of Jehol, having refused to hoist Nationalist colors, military conference is held at Peiping to consider dispatching troops against him.—Pei Tsung-hsi requests Nanking government to send provisions and winter uniforms not only for troops but for prisoners.—Commander and Mrs. Chiang Kai-shek hold reception for leading officials at Nanking.—Fearing that the placing of Manchurian exhibit at a public exhibition at Tokyo alongside Korea section might imply a similar intended treatment by Japan, Ministry of Foreign Affairs had protested to Tokyo and receives reply that position of exhibits would be changed.—Radio from Nanking to commence operations October 1.

Saturday, September 29.—Three Eastern provinces will fly Nationalist flag commencing October 10.—Pei Tsung-hsi resigns as northern commander giving as reason that campaign is now ended.—Wu Han C.P.C. authorizes establishment of two new banks.—Northern Hupeh reports gradual suppression of bandits.—Gen. Pei Tsung-hsi

gives banquet at Tangshan to subordinates and war correspondents.—Honan Political Training Institute opens additional courses.—Pei Tsung-hsi and Yang Yu-ting come to an agreement concerning control of Northeastern territory inside Great Wall.—Indications from Nanking are that Nationalist government intends to exercise right of tariff autonomy from January 1 next.—Foreign Office at Nanking prepares to receive diplomatic body at Nanking October 10.

Sunday and Monday, September 30 and October 1.—Preparation complete for opening of 5th National Anti-Opium week at Shanghai October 1. Each day until October 7 is set aside for discussion of a particular subject.—Party newspaper to be known as *Hua Pei Jih Pao* (North China Daily News) to be established at Nanking.—Nanking General Relief Committee appropriates $100,000 to establish free rice shops for needy population of Peiping, and also takes measures to relieve suffering in Peiping in other ways.—Capital Reconstruction Committee is inaugurated at Nanking.—Kiangsu province decides to abolish 19 likin stations in Kiangning and Woosung districts,—Hupeh Educational department reports that over three million children in province are without school facilities.—Wu-Han C. P. C. to float loan of $50,000,000 for completion of Canton-Hankow railway.—Peiping-Mukden railway resumes normal service.—Shanghai Garrison commander orders inspection of all schools, labor unions and chambers of commerce.—Kaifeng and Tungkwan in Honan to be connected by new motor road—Chiang Kai-shek orders all military commanders to return railway rolling stock to respective administrations—When Japanese recently invaded Tzechwan district in Shantung sixty members of peace preservation corps were killed.—Yen Hsi-shan plans an inspection tour of northeastern Hopei-Dr. C. T. Wang at Nanking denies having seen Consul General Yada at Shanghai since the latter's return from Japan.—Further discussions held at Nanking by committee which is considering new Nationalist reorganization law.—Census of Nanking held—Celebration held at Tein-An-Men at Peiping to mark end of northeastern punitive expedition.—Spokesman of Ministry of Foreign Affairs makes statement at Nanking regarding looting of mission property in Honan.—4,000 wounded soldiers arrive at Peiping and are sent to various hospitals.—Minister of Communications orders an investigation of rolling stock in possession of all the railways with a view to making an equitable distribution

Tuesday, October 2.—General Relief Committee at Nanking appropriates sum of $5,000,000 for relief of poor and unemployed in northeastern provinces.—Gen. Sun Liang-chen formally installed as chairman of Shantung provincial government.—Chiang Kai-shek instructs all state officers to study Sun Yat-sen's "Outline of National Reconstruction."—Admiral Chen Tse holds conference with captains of warships at Canton to formulate pirate suppression measures.—Gen. Fan Hsi-chi, in control of Nationalist forces at Lwanchow, reports friendly contacts established with Fengtien soldiers.—Repentant Communist students at Changsha being released and permitted to enter schools,—Rehabilitation Committee to be organized for districts between Tientsin and Yukwan.—National University Council at Nanking makes statement regarding reorganization of Board of Trustees of the China Foundation for the Promotion of Education and Culture, stating that it marks the beginning of a new policy in dealing with returned Boxer indemnities from foreign governments in future.—Yen Hsi-shan distributes $100,000 among Northeastern Expedition troops.—Law Drafting Commission at Nanking in conference with experts discusses proposed Factory Act.—Forty clocks to be installed at traffic centers by Nanking Municipality.—Peiping to establish Municipal library.—Kiangsu province for mulates comprehensive program of improvements.

Shanghai Editors Return from Tokyo

George E Sokolsky, associate editor of the *Far Eastern Review*, returned to Shanghai this week from a business trip to Tokyo where he met George Bronson Rea, editor of the same paper, who has been in the United States for the past two years. While in Tokyo they called on various officials of the Japanese Government. Mr. Rea plans to return to the United States after a few weeks in China.

Japanese Youth in Honolulu Confesses to Murder of American Child

A despatch from Honolulu dated September 22 in the *Japan Advertiser* states that a 19-year-old Japanese named Fukanaga born in Hawaii, confessed when arrested to the kidnapping and murder of Gill Jamieson, son of the vice-president of the Hawaii Trust Co. The father had paid $4,000 to Fukanaga and it is stated that a five-dollar note of this sum which Fukanaga had spent led to his arrest.

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THE CHINESE CRIMINAL CODE

(English Translation)

By Yu Tinn-Hugh, Ph. D., LL.B.

This book contains the English Translation of the new Chinese Criminal Code which became effective on September 1, 1928. It consists of two main parts and an appendix. The first part contains fourteen chapters dealing with rules of application, general interpretations, joint-offences, penalties, recidivism, etc. The second part contains thirty-four chapters dealing with offences against the security of the state, internal and external, offences against friendly relations with foreign states, offences against public order, counterfeiting, forging, offences against morality, against marriage and family, opium, causing injury, interference with personal liberty, etc.

The appendix contains a preface to the draft of the present criminal code by Dr. Wang Chung-hui, a table of changes and corrections between the present and former criminal code, similarities and dissimilarities, etc.

This book is of vital interest to members of the legal fraternity and owing to the consideration of the relinquishment of consular jurisdiction, should be of general interest to the foreign community.

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THE CHINA WEEKLY REVIEW

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CUSTOMS NOTIFICATION

NO. 1134.

INVOICES ACCOMPANYING APPLICATION, TO BE SIGNED BY IMPORTERS

It is found necessary to repeat the terms of Customs Notification No. 779 of May 1913 and to inform importers that beginning from the 1st October 1928, no invoice will be accepted by the Appraising Department unless endorsed to the effect that its correctness is guaranteed and the endorsement signed by a responsible member of the firm.

"The attention of importers is called to the fact that numerous cases of forged invoices have recently come to light, such invoices having been fabricated by employees of importing firms and presented to the Customs in place of the genuine invoices, together with false applications showing quantities and valuations corresponding with the false invoices. So serious is this evil that it is necessary to take special measures to prevent it, and to require that the correctness of invoices shall be guaranteed by a responsible member of the importing firm. Unsigned invoices may be made by anyone; and invoices signed only by the shippers may be forged without detection; but the signatures of members of local firms cannot be imitated without serious risk of discovery. Importers are, therefore, requested to make on their invoices a note to the effect that the correctness is guaranteed—such note to be signed by a responsible member of the firm.

"It is further requested that for the prevention of fraud on the part of their employees, importers will compare the amounts of duty paid, as shown by their books, with the amounts entered on the Customs passes.

"It is only so long as invoices are above suspicion that Customs examination can be dispensed with; and the cooperation of all importers is asked for in their own interests as well as in that of the Customs in stamping out this species of fraud which has attained considerable proportions."

F. W. Maze,
Commissioner of Customs.

CUSTOM HOUSE
Shanghai, 6th September, 1928.

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New Books of Interest in the Far East

The Former Land of Exile

Incredible Siberia, by Junius B. Wood. The Dial Press, New York, $4.00.

This will be classified by librarians as a travel book, but in reality it is more than that. It is an intimate picture of a vast section of Asia that is best known as having provided the name for the Trans-Siberian Railway. It is a document replete with the humble dwellers of that land; people who, for the most part, pass from the cradle to the grave without travelling more than twenty miles from their native domiciles.

Siberia has always been a land cloaked in mystery, partly due to its remoteness from the so-called centers of civilization, partly on account of its bleak climate, but largely because of restrictions placed by the Russian Government on foreign travellers who sought to explore its vast reaches. Surveillance of foreigners has been even more strictly enforced during the ten years of Soviet rule. Hence, a book which depicts living conditions and the character and habits of the people, and which throws into relief the true state of economic, industrial and political conditions as they affect the common people is a welcome contribution to contemporary literature.

Junius Wood, the author, is well equipped for the task he has undertaken. As European correspondent for the *Chicago Daily News* he has his headquarters in Moscow where he has been in close touch with the evolution of the Soviet government. His study of social, political and economic conditions in Russia, and his knowledge of the Russian language have enabled him to make a lucid and comprehensive survey of conditions in Siberia during the trip which formed the basis for this book.

Mr. Wood did not confine his investigations to towns on the beaten paths. Making use of the kerabok, the native vehicle used for cross-country travel, he journeyed down into the land of the Oyrots, sharing the life of the natives while enroute. Later, as he moved eastward, he made side trips to points on the Amur River. Along the Trans-Siberian the cities of Bernaul, Irkutsk, Chita and Blagovestchensk all come in for their share of attention. In eastern Siberia he is able to draw a comparison between conditions as he found them on a previous trip in 1920, and as they are now.

The book contains twenty-five chapters, two hundred and sixty-one pages, and illustrated by photographs taken by the author. Mr. Wood's entertaining style of writing, and his keen sense of humor, should make this one of the most popular travel books of the year.

E.F.C.

Modernizing the Land of the Fleet Horsemen

Maker Of Modern Arabia, by Ameen Rihani. Boston and New York: Houghton Mifflin Company

The Islamic world all over is giving up conservatism and fatalism, and is reforming itself to suit the modern political, social and industrial conditions. Turkey has already come out as a reformed state, and Afghanistan is following in its wake.

Arabia has after a long time produced a great Arab who is trying to modernize Arabia without making any change in the religious fabric of the country. This great man of modern Arabia is Ibn Saoud who is follower of a sect of Islam called Wahabi. His following is strong and starting from Nejd, a small state in Arabia, this chief has captured Mecca, thus making himself virtually the ruler of Arabia. The Wahabis make no compromise in religion, and condemn all rites and practices which are opposed to the Quran or the traditions of the prophet, Mahomed. They indulge in no alchoholic preparations, nor tobacco, and lead a life of simplicity.

Ibn Saoud has, during his short reign, improved the communications, reformed the laws and established improved courts, and spread a network of schools.

This book gives a very good idea of the man and his work in Arabia. It shows that Ibn Saoud is doing all in his power to give peace and prosperity to the Arabs and aims at the restoration of the former greatness of the Arabs. He has made Arabia really independent, removing all British influence from there which had been supreme before he captured Mecca.

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He has practically suppressed the Bedouins, and made the country safe for travellers. The pilgrimage to Haj which used to be full of dangers before, is now perfectly safe, and the hygienic conditions have so far been improved by the new ruler that there was no epidemic this year in Mecca on the occasion of Haj.

This book is highly interesting as it gives a readable description of the country and its people, and is rich in illustrations of the Arab life and sights.

H. P. SHASTRI

Europe Since the Renaissance

A Notebook of European History, 1400-1920, by S. H. McGrady. Thomas Y. Crowell Company, New York. 1928.

This is a very useful little chronology of European history for the period since the decay of feudalism began to set in. The author is an Englishman, the author of "A Digest of British History" and some other historical works, and so this history treats of Europe in the mere limited sense, i.e., the Continent, Britain being referred to only in connection with her continental neighbors and her international relations.

This is a summary of history rather than a detailed work, and is very compact, giving the gist of developments briefly and well. Continental history is divided into five parts,—the Age of Medieval Decay (which serves as an introduction), the Renaissance (and Reformation), from 1453 to 1648, the Age of the Benevolent Despot (1648 to 1789), the Age of the French Revolution (1789 to 1815). and the Age of the Industrial Revolution (1815 to 1919).

As a brief summary the work is good, though there are some rather surprising omissions. The great Anabaptist revolt in Germany is unrecorded, and the Commune of Paris (and elsewhere) in 1871 is referred to merely as a movement for "absolute autonomy... everywhere," without mention of its social significance, though the author is clear enough with regard to the revolutions of 1830 and 1848. Also, in "Results of the War," there is no hint of the extent to which large parts of the Continent are mortgaged to the U.S.A. There are also some inaccuracies with regard to the Russian Revolution (e.g., Kerensky supported by the "Menshevists," where "Socialist Revolutionaries" should be substituted), which however is in general summarized quite well.

These are minor criticisms, perhaps. In general it is a very good and useful chronology, valuable for reference, and worth-while for class-room work. H.H.

Philippine Sugar Men up in Arms Against Proposed Legislation

A resolution introduced in Congress last session by Representative Timberlake to limit the free importation of raw sugar from the Philippine Islands to the United States to 500,000 tons annually has caused an uproar in the Philippine Islands. Under the existing laws of the United States raw sugar enters the United States from the Islands free of duty, no limitation being named. The import of sugar from Cuba to the United States amounts to about four million tons a year, and the duty reckoned by the weight comes to an average *advalorem* of from sixty to seventy per cent. The Philippines have so far not averaged 500,000 tons per annum export to the United States, which is the limit proposed in the new legislation, but the Philippine sugar men are planning extensions and they are opposed to any limitation on general principles.

This subject of the proposed limitation of sugar into the United States from the Philippine Islands-was the chief subject of discussion at the sixth annual convention of the Philippine Sugar Association, which held a week's session at Manila recently.

Senator Manuel Quezon was one of the speakers at the Convention. He said he believed the only recourse in fighting the Timberlake resolution, was to appeal to the sense of justice of the American people. It is not a group of congressmen alone that is behind the Timberlake movement, Mr. Quezon said, but upward of $3,000,000 of American capital was interested in securing the enactment of a measure of the kind. He was speaking of the American cane and beet sugar industries. The American people, Mr. Quezon continued, are the most idealistic race in the world. They will not place the monetary considerations of any group above the economic welfare of the majority. The American people will realize that the more sugar is imported free of duty the more economical the commodity will be. During his recent visit to the United States, Mr. Quezon said, he informed himself as to the interests behind the movement to restrict the free importation of Philippine sugar, and he reached the conclusion that the menace was serious.

Customs Notification

No. 1136.

The Custom House will be closed and the shipment and delivery of cargo suspended on Wednesday the 10th October, the d fixed by the Government as a Nationalist Festival.

F. W. Maze
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 2nd October, 1928.

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CONTENTS THIS WEEK'S ISSUE:

Editorials:

Baron Shidehara and Baron Tanaka
National Tariff

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Foreign Concession and Settlements
Foreign Investments in China

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46-249

Charge of Assault Against Handcuffed Britisher is Dismissed

The case against C.R. Maguire who holds a power of attorney for H.E. Morriss one of the principal owners of the *North China Daily News* (British official organ), charged by the French Police with assault and obstructing the police in the execution of their duty, was dismissed by the British Police Court October 3, after a trial lasting almost a week. The British Magistrate commented on the fact that Inspector Henri, the French police officer, who had handcuffed Maguire, had not come to the Magistrate's office to get the warrant endorsed, as was required to enter British premises. The evidence showed that the houseboy at the Morriss residence had been taken away on a warrant not countersigned by the British authorities. As regards the handcuffing, the British Magistrate said that such procedure was ordinarily only used in dealing with dangerous and violent criminals and he did not think that a police officer in a normal frame of mind would adopt such a method.

The Resignation of Dr. Tsai Yuan-pei

Tan Yen-kai, chairman of the Government Council, according to a report in the Chinese newspapers on October 2, has recommended that the resignation of Dr. Tsai Yuan-pei from the National University Council, be accepted. It was also reported that Dr. Chiang Mon-lin, formerly a member of the faculty of Peiping National University and recently a member of the Chekiang Provincial Government, be appointed to the position made vacant through the resignation of Dr. Tsai Yuan-pei.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Oct. 4	Approx. Yield to Maturity Oct. 4
Argentine Government..	6%	May 1, 1960	99⅜	6.02
U. S. of Brazil	6½	„ Oct. 15, 1957	96½	6.78
Republic of Chile.....	7	„ Nov. 1, 1942	102¼	6.72
Republic of Chile.....	6	„ Jan. 1, 1961	93½	6.48
Republic of Finland.....	7	„ Mar. 1, 1950	101	6.91
Finnish Guaranteed Municipal Loan.....	6½	„ Oct. 1, 1954	99½	6.56
French Government.....	7	„ Dec. 1, 1949	109¼	6.21
German Government....	7	„ Oct. 15, 1949	107	6.39
Kingdom of Italy.....	7	„ Dec. 1, 1951	97¼	7.25
State of Minas Geraes (Brazil)	6½	„ Mar. 1, 1958	95½	6.86
Republic of Peru	7	„ Sep. 1, 1959	103¼	6.71
Republic of Peru	6	„ Dec. 1, 1960	90⅜	6.73
City of Vienna.....	6	„ Nov. 1, 1952	88⅞	7.00
Mortgage Bank of Chile	6½	„ Jun. 30, 1957	97½	6.70
Mortgage Bank of Chile	6	„ Apr. 30, 1961	93	6.52
German General Electric Co.	7	„ Jan. 15, 1945	103½	6.64
German General Electric Co.	6	„ May 1, 1948	93½	6.60
Central Bank for Agriculture	6	„ Apr. 15, 1938	91½	7.25
Saxon Public Works, Inc.	6½	„ May 1, 1951	94¾	6.96
Saxon State Mortgage Institution.....	7	„ Dec. 1, 1945	98½	7.14
Saxon State Mortgage Institution.....	6	„ Sep. 15, 1947	91	6.85
Tokyo Electric Light Co	6	„ Jun. 15, 1953	91½	6.71
Chicago Rapid Transit Co.....	6½	„ July 1, 1944	96	6.92
Northern Ohio Power & Light Co.....	6½	„ Jan. 1, 1941	98	6.75
Cuban Dominican Sugar Co.	7½	„ Nov. 1, 1944	99	7.61
Pennsylvania-Dixie Cement Corp.....	7%	Cum. Pfd. Stk.	85	8.24
Victory Talking Machine Co.	7	„ Cum. Pfd. Stk.	107	6.54
General Mills, Inc.....	6	„ Cum. Pfd. Stk.	100	6.00
Willys Overland Co.....	7	„ Pfd. Stock	100	7.00
Belgian National Rwy Co. Poptg. Pfd. Stk.	(Amm. Shrs.)		84	7.14
Dodge Brothers, Inc., ...	7	„ Pfd. Stock	108	6.48
General Mills, Inc.....		Common Stock	67	——
Cannon Mills Co.....		Common Stock	47	——
Grasselli Chemical Company		Common Stock	61	——
Mohawk Carpet Mills, Inc.....		Common Stock	39⅜	——
The National City Bank of New York Stock...			832	2.40

The National City Company National City Bank Building 2 A Kiukiang Road Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, 3rd October, 1928

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver in London is quoted to-day at 26 1/16d. for spot, and 26 5/8d. for two months forward delivery, as against 26 5/8d. and 26 7/16d., respectively this day last week. China has been a buyer on most days while India has both bought and sold.

Although the amount of export paper offering has been unimportant, a steady tone has prevailed throughout the week. The demand for T/T has somewhat increased, but on the whole business is very quiet.

The local exchange market closed firm to-day and banks would sell for October delivery at the following rates., T/T on London 2/7 1/16d., on New York 68¾., Yens 71½.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls.61,311,000 a decrease of Tls. 1,774,000

Chinese and Mexican Dollars..... $ 85,190,000 a decrease of $ 4,350,000

Estimated value Tls. 122,648,000 as against Tls. 121,383,000 held at this time last year.

	Average rates for Sept.	Thursday. Sept. 27th	Friday Sept. 28th	Saturday Sept. 29th	Monday Oct. 1st	Tuesday Oct. 2	Wed. Oct. 3
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/7 312	2/7		2/7	2/7 1/2	2/7 1/2	2/7 1/4
D/Dfts „	—	2/7 15/16		2/7 15/16	2/7 15/16	2/7 15/16	2/7 15/16
4 m/s „	—	2/7 1/4		2/7 1/4	2/7 1/2	2/7 3/4	2/7 1/2
T/T India	173.917	171 3/4		171 3/4	173 1/4	174 1/4	173
T/T France	1,619,583	1600		1600	1615	1630	1615
T/T N. Y.	63.344	62 5/8		62 5/8	63 1/8	63 3/8	63 1/8
T/T Demand		62 3/4		62 3/4	63 1/4	63 1/2	63 1/4
T/T Hamburg		262 1/2		262 1/2	265	267	265
T/T H'kong	78.286	78 7/8		78 7/8	78 3/8	78 1/4	78 1/4
T/T Japan	72.536	73 1/4		73	72 1/2	72 1/4	72 3/8
T/T Batavia	157.469	155 3/4		155 3/4	157	158 1/4	157
T/T Straits	89.146	90 1/2		90 1/2	89 3/4	89 1/4	90
Bk's buying rates 4 m/s B/L. Cred. D/A	2/9.312	2/9		2/9	2/9 1/4	2/9 1/2	2/9 1/4
4 m/s „ D/P	—	2/9 1/8		2/9 1/8	2/9 1/8	2/9 1/8	2/9 1/8
6 m/s „ B/L Cred D/A	2/9.625	2/9 5/16		2/9 5/16	2/9 5/16	2/9 5/16	2/9 5/16
4 m/s B/F Cred D/A or D/P							
	1,694,583	1670		1670	1685	1700	1685
4 m/s N.Y.Lc.	66.594	65 7/8		65 7/8	66 1/4	66 1/4	66 1/8
4 m/s „ Docs	—	66 3/8		66 3/8	66 7/8	67 3/8	66 7/8

HOLIDAY

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Sept. 27	Sept. 28	Sept. 29	Oct. 1	Oct. 2	Oct. 3
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 1/4		26 7/16	26 9/16	26 5/8	26 9/16
**New York Price of Bar Silver per oz. (Pure)	G. $.57		G. $.57 3/8	G.$ 57 5/8	G.$ 57 7/8	G. $.57 5/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	Tls. 352.90		Tls. 352.60	Tls. 350.20	Tls. 351.70	Tls. 352
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90		110.80	110.90	110.90	110.90
Shanghai Mexican Dollars per $100....	72.1625		72.125	72.125	72.25	72.4
Native Bank Rate of Interest (Call money).....	2%		2%	3 1/2%	2%	3%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

HOLIDAY

Bank of England rate of discount	4½%	London Paris on	T/T 124.04
Bank of France rate of discount	3½%	New York on London	T/T 484 7/8
London open Market of Dis. 3 m/s	4 5/16%	Bombay on London	T/T 1/6
„ 4 „	4 3/8%	Hongkong on London	T/T 2/0 1/8
„ 6 „	4 7/16%	Kobe on London	T/T 1/10 9/16